

**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION



September 12, 2014

State of Idaho  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, Idaho 83702-5983

Case No. AVU-G-14-04 / Advice No. 14-01-G

Attention: Ms. Jean D. Jewell

**I.P.U.C. No. 27 – Natural Gas Service**

Enclosed for filing with the Commission are the following revised tariff sheets:

**Twentieth Revision Sheet 150**  
**Sixteenth Revision Sheet 155**

canceling  
canceling

**Nineteenth Revision Sheet 150**  
**Fifteenth Revision Sheet 155**

The Company requests that the proposed tariff sheets be made effective November 1, 2014.

These tariff sheets reflect the Company's annual Purchased Gas Cost Adjustment ("PGA"). If these tariff sheets are approved as filed, the Company's annual revenue will *decrease* by approximately \$1.6 million or approximately 2.1%. The proposed changes have no effect on the Company's earnings. Detailed information related to the Company's request is included in the attached Application and supporting workpapers.

If the Company's request is approved, a residential or small commercial customer using an average of 60 therms per month will see *decrease* of \$1.16 per month, or approximately 2.0%. The present bill for 60 therms is \$59.48 while the proposed bill is \$58.32. The Company will issue a notice to its customers through a bill insert starting on September 17, 2014 and ending on October 15, 2014. A copy of the bill insert has been included in the Company's filing.

If you have any questions regarding this filing, please contact Patrick Ehrbar at (509) 495-8620 or Ryan Finesilver at (509) 495-4873.

Sincerely,

A handwritten signature in dark ink, appearing to read "D J Meyer", with a long horizontal stroke extending to the right.

David J. Meyer

Vice President and Chief Counsel for Regulatory and Governmental Affairs

Enclosures

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
AVISTA UTILITIES FOR AN ORDER APPROVING )  
A CHANGE IN NATURAL GAS RATES AND CHARGES )

CASE: AVU-G-14-0 4

Application is hereby made to the Idaho Public Utilities Commission for an Order approving a revised schedule of rates and charges for natural gas service in the state of Idaho. The Applicant requests that the proposed rates included in this Purchased Gas Cost Adjustment ("PGA") filing be made effective on November 1, 2014. If approved as filed, the Company's annual revenue will decrease by approximately \$1.6 million or about 2.1%. In support of this Application, Applicant states as follows:

I.

The name of the Applicant is AVISTA CORPORATION, doing business as AVISTA UTILITIES (hereinafter Avista, Applicant or Company), a Washington corporation, whose principal business office is 1411 East Mission Avenue, Spokane, Washington, and is qualified to do business in the state of Idaho. Applicant maintains district offices in Moscow, Lewiston, Coeur d'Alene, and Kellogg, Idaho. Communications in reference to this Application should be addressed to:

Kelly O. Norwood  
Vice President of State & Federal Regulation  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-4267  
Fax: (509) 495-8851

II.

Attorney for the Applicant and his address is as follows:

David J. Meyer  
Vice President and Chief Counsel for Regulatory  
And Governmental Affairs  
Avista Utilities  
1411 E. Mission Avenue  
Spokane, WA 99220-3727  
Phone: (509) 495-4316  
Fax: (509) 495-8851



### III.

The Applicant is a public utility engaged in the distribution of natural gas in certain portions of Northern Idaho, Eastern and Central Washington, and Southwestern and Northeastern Oregon, and further engaged in the generation, transmission, and distribution of electricity in Northern Idaho and Eastern Washington.

### IV.

Twentieth Revision Sheet 150, which Applicant requests the Commission approve, is filed herewith as Exhibit "A". Additionally, Sixteenth Revision Sheet 155, which Applicant requests the Commission approve, is also filed herewith as Exhibit "A". Also included in Exhibit "A" is a copy of Twentieth Revision Sheet 150 and Sixteenth Revision Tariff Sheet 155 with the changes underlined and a copy of Nineteenth Revision Sheet 150 and Fifteenth Revision Tariff Sheet 155 with the proposed changes shown by lining over the current language or rates.

### V.

The existing rates and charges for natural gas service on file with the Commission and designated as Applicant's Tariff IPUC No. 27, which will be superseded by the rates and charges filed herewith, are incorporated herein as though fully attached hereto.

### VI.

Notice to the Public of Applicant's proposed tariffs is to be given simultaneously with the filing of this Application by posting, at each of the Company's district offices in Idaho, a Notice in the form attached hereto as Exhibit "B" and by means of a press release distributed to various informational agencies, a draft copy attached hereto in Exhibit "E". In addition, Exhibit "E" to this Application also contains the form of customer notice that the Company will send to its customers in its monthly bills from September 17, 2014 through October 15, 2014.

### VII.

The circumstances and conditions relied on for approval of Applicant's revised rates are as follows: Applicant purchases natural gas for customer usage and transports it over Williams Northwest Pipeline, Gas Transmission Northwest (GTN), TransCanada - Alberta, TransCanada - BC and Spectra Energy Pipeline systems, and defers the effect of timing differences due to implementation of rate changes and differences between Applicant's actual weighted average cost of gas ("WACOG") purchased and the WACOG embedded in rates. Applicant also defers various pipeline refunds or charges and miscellaneous revenue received from natural gas related transactions including pipeline capacity releases.

### VIII.

This filing reflects the Company's proposed annual PGA to: 1) pass through changes in the estimated cost of natural gas for the November 2014 through October 2015 twelve-month period (Schedule 150), and 2) revise the amortization rate(s) to refund or collect the balance of deferred gas costs (Schedule 155). Below is a table summarizing the proposed changes reflected in this filing.

		Commodity	Demand	Total	Amortization	Total Rate	Overall
	Sch.	Change	Change	Sch. 150	Change	Change	Percent
<u>Service</u>	<u>No.</u>	<u>per therm</u>	<u>per thm</u>	<u>Change</u>	<u>per therm</u>	<u>per therm</u>	<u>Change</u>
General	101	0.01160	(0.00022)	0.01138	(0.03071)	(0.01933)	<b>-1.91%</b>
Lg. General	111	0.01160	(0.00022)	0.01138	(0.03071)	(0.01933)	<b>-2.49%</b>
Interruptible	131	0.01160	0.00000	0.01160	0.00119	0.01279	<b>0.20%</b>

## IX.

### Commodity Costs

As shown in the table above, the estimated WACOG change is an *increase* of 1.16 cents per therm. The proposed WACOG, including the revenue conversion factor, is 38.5 cents per therm compared to the present WACOG of 37.4 cents per therm included in rates.

The Company's natural gas Procurement Plan ("Plan") uses a diversified approach to procure natural gas for the coming PGA year. While the Plan generally incorporates a more structured approach for the hedging portion of the portfolio, the Company exercises flexibility and discretion in all areas of the plan based on changes in the wholesale market. The Company typically meets with Commission Staff semi-annually to discuss the state of the wholesale market and the status of the Company's Plan. In addition, the Company communicates with Staff when it believes it makes sense to deviate from its Plan and/or opportunities arise in the market.

Avista has been hedging natural gas on both a periodic and discretionary basis throughout 2014 for the forthcoming PGA year (twelve months). Approximately 35% of estimated annual load requirements for the PGA year (November 2014 through October 2015) will be hedged at a fixed-price derived from the Company's Plan. These volumes are comprised of: 1) 13% of volumes hedged for a term of one year or less, 2) 22% of volumes from prior multi-year hedges. Through June, the planned hedge volumes for the PGA year have been executed at a weighted average price of \$4.25 per dekatherm (\$0.425 per therm).

Available underground storage capacity at the Jackson Prairie Natural Gas Storage Facility represents approximately 20% of annual load requirements (36% of load requirements during the December to March withdrawal period). The estimated WACOG for all storage volumes is \$4.15 per dekatherm. The Company utilizes its underground storage to capture seasonal price spreads (differentials), improve the reliability of supply, increase operational flexibility and mitigate peak demand price spikes.

The Company used a 30-day historical average of forward prices and supply basins (ending August 18, 2014) to develop an estimated cost associated with index purchases. The estimated monthly volumes to be purchased by basin are multiplied by the 30-day average forward price for the corresponding month and basin. These index purchases represent approximately 45% of estimated annual load requirements for the coming year. The annual weighted average price for these volumes is \$3.60 per dekatherm.

The winter of 2013-2014 was significantly colder than normal both in the western United States and nationally. The colder than normal weather led to an increase in overall natural gas demand and a heavy reliance on natural gas storage reserves. Natural gas storage both nationally and in the west

were drawn down well below their five year average balance. The cold weather and increased demand increased wholesale natural gas prices both in the winter as well as in the summer as more natural gas is required to replenish storage facilities. Storage may not be full by the coming winter, and this storage imbalance may persist through the coming winter. While prices are currently forecast to remain higher throughout the upcoming winter, natural gas prices in future winter periods are below the upcoming winter. As a result, the market prices indicate that the storage imbalance issue is temporary, and the long-term trend of lower priced gas should return.

X.

#### **Demand Costs**

Demand costs primarily represent the cost of transporting natural gas on interstate pipelines to the Company's local distribution system. As shown in the table above, there is a slight decrease in the overall demand rate. The expiration of short-term capacity release credits on Northwest Pipeline and an increase in summer capacity on TCPL-Alberta Pipeline led to slightly higher demand costs, however those are more than offset with higher projected usage to cover fixed demand costs. The result is a slight demand rate decrease of \$0.00022 per therm for Schedules 101 and 111.

XI.

#### **Schedule 155 / Amortization Rate Change**

As shown in the table above, the proposed amortization rate change for Schedule 101 and Schedule 111 is a decrease of \$0.03071 per therm. The current rate applicable to Schedule 101 and Schedule 111 is \$0.00015 per therm in the surcharge direction; the proposed rate is \$0.03056 per therm in the rebate direction. The reason for the decrease in the Schedule 155 amortization rate is due to changes in the demand portion of the amortization rate, which include:

1. Colder than normal weather resulted in higher demand cost collections during the winter months.
2. Effective April 1, 2014, Avista entered into a new Deferred Exchange contract with a counterparty whereby the Company receives natural gas at a specific point during one time period (summer) and re-delivers that natural gas in a different time period (winter). The Company charges a fixed per therm charge for this service. The net benefit provided to customers from this new agreement in this PGA is approximately \$394,000, and
3. As noted in the Company's Power Cost Adjustment filing (Case No. AVU-E-14-06), the Company discovered an error related to the allocation of natural gas transport costs between the Company's power supply operations and the Company's natural gas distribution operations. Details were provided in the December 2013 PCA Deferral Report filed with the Commission on January 16, 2014. The net effect of this error is a decrease (i.e., a benefit to natural gas customers) in the natural gas amortization deferral account of \$487,554.

XII.

If approved as filed, the Company's annual revenue will *decrease* by approximately \$1.6 million or about 2.1% effective November 1, 2014. Residential or small commercial customers using an average of 60 therms per month would see a *decrease* of \$1.16 per month, or approximately 2.0%. The present bill for 60 therms is \$59.48 while the proposed bill is \$58.32.

XIII.

Exhibit "C" attached hereto contains support workpapers for the rates proposed by Applicant contained in Exhibit "A".

XIV.


Avista requests that the rates proposed in this filing be approved to become effective on November 1, 2014, and requests that the matter be processed under the Commission's Modified Procedure rules through the use of written comments. Avista stands ready for immediate consideration on its Application.

XV.

WHEREFORE, Avista requests the Commission issue its Order finding its proposed rates to be just, reasonable, and nondiscriminatory and to become effective for all natural gas service on and after November 1, 2014.

Dated at Spokane, Washington, this 12<sup>th</sup> day of September 2014.

AVISTA UTILITIES  
BY

  
\_\_\_\_\_  
David J. Meyer  
Vice President and Chief Counsel for  
Regulatory and Governmental Affairs



VERIFICATION

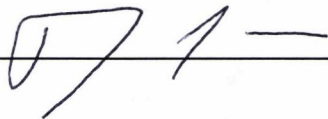
STATE OF WASHINGTON     )

)

County of Spokane        )

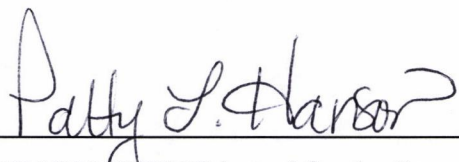
David J. Meyer, being first duly sworn on oath, deposes and says: That he is the Vice President and Chief Counsel for Regulatory and Governmental Affairs of Avista Utilities and makes this verification for and on behalf of Avista Corporation, being thereto duly authorized;

That he has read the foregoing filing, knows the contents thereof, and believes the same to be true.

\_\_\_\_\_

SIGNED AND SWORN to before me this 12<sup>th</sup> day of September 2014, by David J. Meyer



\_\_\_\_\_  
NOTARY PUBLIC in and for the State of  
Washington, residing at Spokane.

Commission Expires: 11/23/2017

## **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that I have served Avista Corporation dba Avista Utilities' Advice filing ADV 14-01-G (Tariff IPUC No. 27 Natural Gas Service) by mailing a copy thereof, postage prepaid to the following:

Jean D Jewell, Secretary  
Idaho Public Utilities Commission  
472 W. Washington Street  
Boise, ID 83720-5983

Edward A. Finklea  
Northwest Industrial Gas Users  
326 Fifth Street  
Lake Oswego, OR 97034

Chad Stokes  
Cable Huston Benedict Haagensen &  
Lloyd, LLP  
1001 SW 5th, Suite 2000  
Portland, OR 97204-1136

Curt Hibbard  
St. Joseph Regional Medical Center  
PO Box 816  
Lewiston, ID 83501

Dated at Spokane, Washington this 12th day of September 2014.

A handwritten signature in black ink, appearing to read 'Patrick Ehrbar', written over a horizontal line.

Patrick Ehrbar  
Manager, State & Federal Regulation

RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION

# **AVISTA UTILITIES**

Case No. AVU-G-14-0 4

## **EXHIBIT "A"**

**Proposed Tariff Sheets**

**September 12, 2014**

AVISTA CORPORATION  
d/b/a Avista Utilities

**SCHEDULE 150  
PURCHASE GAS COST ADJUSTMENT - IDAHO**

**APPLICABLE:**

To Customers in the State of Idaho where Company has natural gas service available.

**PURPOSE:**

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

**RATE:**

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 49.286¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 38.510¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

**WEIGHTED AVERAGE GAS COST:**

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	10.776¢	38.510¢	49.286¢
Schedules 111 and 112	10.776¢	38.510¢	49.286¢
Schedules 131 and 132	0.000¢	38.510¢	38.510¢

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	10.721¢	38.312¢	49.033¢
Schedules 111 and 112	10.721¢	38.312¢	49.033¢
Schedules 131 and 132	0.000¢	38.312¢	38.312¢

**The above amounts do not include a gross revenue factor.**

**BALANCING ACCOUNT:**

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued September 12, 2014

Effective November 1, 2014

Issued by Avista Utilities

By

*Kelly O. Norwood*

Kelly O. Norwood - Vice-President, State & Federal Regulation



AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 150  
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by 49.286¢ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by 38.510¢ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	<u>10.776¢</u>	<u>38.510¢</u>	<u>49.286¢</u>
Schedules 111 and 112	<u>10.776¢</u>	<u>38.510¢</u>	<u>49.286¢</u>
Schedules 131 and 132	0.000¢	<u>38.510¢</u>	<u>38.510¢</u>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	<u>10.721¢</u>	<u>38.312¢</u>	<u>49.033¢</u>
Schedules 111 and 112	<u>10.721¢</u>	<u>38.312¢</u>	<u>49.033¢</u>
Schedules 131 and 132	0.000¢	<u>38.312¢</u>	<u>38.312¢</u>

**The above amounts do not include a gross revenue factor.**

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued September 12, 2014

Effective November 1, 2014

Issued by Avista Utilities  
By

Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 150  
PURCHASE GAS COST ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To pass through changes in costs resulting from purchasing and transporting natural gas, to become effective as noted below.

RATE:

- (a) The retail rates of firm gas Schedules 101, 111 and 112 are to be increased by ~~48.148¢~~ per therm in all blocks of these rate schedules.
- (b) The rates of interruptible Schedules 131 and 132 are to be increased by ~~37.350¢~~ per therm.
- (c) The rate for transportation under Schedule 146 is to be decreased by 0.000¢ per therm.

WEIGHTED AVERAGE GAS COST:

The above rate changes are based on the following weighted average cost of gas per therm as of the effective date shown below:

	Demand	Commodity	Total
Schedules 101	<del>10.798¢</del>	<del>37.350¢</del>	<del>48.148¢</del>
Schedules 111 and 112	<del>10.798¢</del>	<del>37.350¢</del>	<del>48.148¢</del>
Schedules 131 and 132	0.000¢	<del>37.350¢</del>	<del>37.350¢</del>

**The above amounts include a gross revenue factor.**

	Demand	Commodity	Total
Schedules 101	<del>10.744¢</del>	<del>37.164¢</del>	<del>47.908¢</del>
Schedules 111 and 112	<del>10.744¢</del>	<del>37.164¢</del>	<del>47.908¢</del>
Schedules 131 and 132	0.000¢	<del>37.164¢</del>	<del>37.164¢</del>

**The above amounts do not include a gross revenue factor.**

BALANCING ACCOUNT:

The Company will maintain a Purchase Gas Adjustment (PGA) Balancing Account whereby monthly entries into this Balancing Account will be made to reflect differences between the actual purchased gas costs collected from customers and the actual purchased gas costs incurred by the Company. Those differences are then collected from or refunded to customers under Schedule 155 – Gas Rate Adjustment.

Issued ~~July 30, 2013~~

Effective ~~October 1, 2013~~

Issued by Avista Utilities  
By

Kelly O. Norwood - Vice-President, State & Federal Regulation

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 155  
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 3.056¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 0.923¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued September 12, 2014

Effective November 1, 2014

Issued by Avista Utilities

By

*Kelly Norwood*

Kelly Norwood, Vice President, State & Federal Regulation

AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 155  
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be decreased by 3.056¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 0.923¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment.

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued September 12, 2014

Effective November 1, 2014

Issued by Avista Utilities  
By

Kelly Norwood, Vice President, State & Federal Regulation



AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 155  
GAS RATE ADJUSTMENT - IDAHO

AVAILABLE:

To Customers in the State of Idaho where Company has natural gas service available.

PURPOSE:

To adjust gas rates for amounts generated by the sources listed below.

MONTHLY RATE:

- (a) The rates of firm gas Schedules 101 and 111 are to be increased by 0.015¢ per therm in all blocks of these rate schedules.
- (b) The rate of interruptible gas Schedule 131 is to be decreased by 1.042¢ per therm.

SOURCES OF MONTHLY RATE:

Changes in the monthly rates above result from amounts which have been accumulated in the Purchase Gas Adjustment (PGA) Balancing Account as described in Schedule 150 – Purchase Gas Cost Adjustment and ~~Schedule 156 – Purchase Gas Cost Adjustment.~~

SPECIAL TERMS AND CONDITIONS:

The above Monthly Rate is subject to the provisions of Tax Adjustment Schedule 158.

Issued July 30, 2013

Effective October 1, 2013

Issued by Avista Utilities  
By

Kelly Norwood, Vice President, State & Federal Regulation

RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION

# **AVISTA UTILITIES**

Case No. AVU-G-14-04

## **EXHIBIT "B"**

**Notice of Public Applicant's Proposed Tariffs**

**September 12, 2014**

AVISTA UTILITIES  
NOTICE OF IDAHO TARIFF CHANGE  
(Natural Gas Service Only)

Notice is hereby given that the "Sheets" listed below of Tariff IPUC No. 27, covering natural gas service applicable to Idaho customers of Avista Utilities have been filed with the Idaho Public Utilities Commission (IPUC) in Boise, Idaho.

**Twentieth Revision Sheet 150**  
**Sixteenth Revision Sheet 155**

canceling  
canceling

**Nineteenth Revision Sheet 150**  
**Fifteenth Revision Sheet 155**

Sixteenth Revision Sheet 155 updates the amortization rate used to refund or recover previous gas cost differences and Twentieth Revision Sheet 150 updates the forward-looking cost of natural gas purchased for customer usage.

These tariffs request an annual revenue *decrease* of approximately \$1.6 million, or about 2.1%.

This request is a Purchased Gas Cost Adjustment (PGA) that is filed each year to balance the actual cost of wholesale natural gas purchased by Avista to serve customers with the amount included in rates. This includes the natural gas commodity cost as well as the cost to transport natural gas to Avista's local distribution system.

If the Company's request is approved, the average residential or small commercial customer using 60 therms per month will see a *decrease* of \$1.16 per month, or approximately 2.0%. The present bill for 60 therms is \$59.48 while the proposed bill is \$58.32. Larger commercial customers served under Schedules 111 can expect to see an average *decrease* of approximately 2.5%. However, actual customer rate changes will vary based on therms consumed.

This filing requests an effective date of November 1, 2014.

Avista's rate application is a proposal, subject to public review and a decision by the IPUC. Copies of the application are available for public review at the offices of the IPUC as well as on the IPUC's homepage at [www.puc.idaho.gov](http://www.puc.idaho.gov). Customers may subscribe to the Commission's RSS feed (<http://www.puc.idaho.gov/rssfeeds/rss.htm>) to receive periodic updates via email about the case. Written comments regarding Avista's application may be filed with the IPUC.

Copies of the proposed tariff changes are also available for inspection in the Company's offices, its website ([www.avistautilities.com/rates](http://www.avistautilities.com/rates)), by calling (509) 495-4565 or by writing:

Avista Utilities  
Attention: Manager, Rates & Tariffs  
P.O. Box 3727  
Spokane, WA. 99220-3727

September 12, 2014

RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION

**AVISTA UTILITIES**

Case No. AVU-G-14-0 4

EXHIBIT "C"

Workpapers

September 12, 2014



<b>Title</b>	<b>Description</b>	<b>Page Number</b>
<b>TARRIF CHANGE COMPARISONS</b>		
<u>Revenue Change Summary'!A1</u>	Change in Revenue as a result of filing	1
<u>Rate Change Summary'!A1</u>	Change in rate, by schedule, Schedule 150 and 155	2
<b>PGA COMPONENT CALCULATIONS</b>		
<u>Input!A1</u>	Demand Volumes and Customers Inputs	3
<u>Input!A26</u>	Commodity Inputs	4
<u>Input!A88</u>	Demand Inputs	5
<u>Input!A185</u>	Amortization Inputs	6
<u>Commodity!A1</u>	Commodity WACOG Calculation	7
<u>Demand!A1</u>	Demand WACOG Calculation	8
<u>Amortization!A1</u>	Amortization WACOG Calculation	9
<b>OTHER</b>		
<u>Conversion Factor'!A1</u>	Revenue Conversion Factor	10
<u>GRI Funding</u>	GRI Funding	11
<u>Pipeline Tariff Sheets'!A1</u>	Transcanada - Alberta	12
	Westcoast Energy Inc.	13
	Pipeline Tariff Sheets - Foothills Pipeline Ltd.	14
	Northwest Pipeline Summary	15
	Westcoast Energy Inc.	16
	Northwest Pipeline Summary	17

Avista Utilities  
State of Idaho  
Revenue Rate Change Summary

Based on 12 months November 1, 2014 - October 31, 2015

Line No.	Schedule	Therms	Rate Change	Revenue Incr (Decr)
1	<u>Schedule 150 PGA Commodity</u>			
2	Rate Schedule 101	55,012,923	\$ 0.01160	\$ 638,150
3	Rate Schedule 111	23,170,342	\$ 0.01160	\$ 268,776
4	Rate Schedule 112	0	\$ 0.01160	\$ -
5	Rate Schedule 131	0	\$ 0.01160	\$ -
6	Rate Schedule 132	23,070	\$ 0.01160	\$ 268
7		<u>78,206,335</u>		<u>907,193</u>
8				
9	<u>Schedule 150 PGA Demand</u>			
10	Rate Schedule 101	55,012,923	\$ (0.00022)	\$ (12,103)
11	Rate Schedule 111	23,170,342	\$ (0.00022)	\$ (5,097)
12	Rate Schedule 112	0	\$ (0.00022)	\$ -
13	Rate Schedule 131	0	\$ -	\$ -
14	Rate Schedule 132	23,070	\$ -	\$ -
15		<u>78,206,335</u>		<u>\$ (17,200)</u>
16				
17	<u>Schedule 155 Amortization</u>			
18	Rate Schedule 101	55,012,923	\$ (0.03071)	\$ (1,689,488)
19	Rate Schedule 111	23,170,342	\$ (0.03071)	\$ (711,579)
20	Rate Schedule 112	0	\$ -	\$ -
21	Rate Schedule 131	0	\$ 0.00119	\$ -
22	Rate Schedule 132	23,070	\$ -	\$ -
23	Customer 1	0	\$ -	\$ (46,709)
24	Customer 2	0	\$ -	\$ (6)
25	Customer 3	0	\$ -	\$ -
26	Customer 4	0	\$ -	\$ 4
27	Customer 5	0	\$ -	\$ (13,050)
28		<u>78,206,335</u>		<u>\$ (2,460,828)</u>
29				
30	<u>Total Change 150 &amp; 155</u>			
31	Rate Schedule 101	55,012,923	\$ (0.01933)	\$ (1,063,441)
32	Rate Schedule 111	23,170,342	\$ (0.01933)	\$ (447,900)
33	Rate Schedule 112	0	\$ 0.01138	\$ -
34	Rate Schedule 131	0	\$ 0.01279	\$ -
35	Rate Schedule 132	23,070	\$ 0.01160	\$ 268
36	Customer 1	0	\$ -	\$ (46,709)
37	Customer 2	0	\$ -	\$ (6)
38	Customer 3	0	\$ -	\$ -
39	Customer 4	0	\$ -	\$ 4
40	Customer 5	0	\$ -	\$ (13,050)
41	Total Change	<u>78,206,335</u>		<u>\$ (1,570,834)</u>
42				
43	Rate Schedule 146 & Special Contracts	0	\$ -	\$ -
44				
45	Total			<u>\$ (1,570,834)</u>
46	% Change from Current Billed Revenue			

Summary of Rate Change			
	Proposed Rates	Total Billed	% Change
Rate Schedule 101	(1,063,441)	\$ 55,569,742	-1.91%
Rate Schedule 111	(447,900)	\$ 17,989,610	-2.49%
Rate Schedule 112	0		
Rate Schedule 131	0		
Rate Schedule 132	268	\$ 169,148	0.20%
Customer Refunds	(59,761)		
Total Change	<u>(1,570,834)</u>	\$ 73,728,500	-2.10%

Avista Utilities  
State of Idaho  
Summary of Changes

Summary of Changes			Schedule 150			
Summary of Changes	Without Revenue Sensitive Costs			With Revenue Sensitive Costs		
	Firm (Demand)	Sales (Commodity)	Total Gas Cost Rate	Firm (Demand)	Sales (Commodity)	Total Gas Cost Rate
<b>Present</b>				<b>GRF:</b>	<b>1.005016</b>	
WACOG before revenue sensitive						
Rate Schedule 101	\$0.10744	\$0.37164	\$0.47908	\$0.10798	\$0.37350	\$0.48148
Rate Schedule 111	\$0.10744	\$0.37164	\$0.47908	\$0.10798	\$0.37350	\$0.48148
Rate Schedule 112	\$0.10744	\$0.37164	\$0.47908	\$0.10798	\$0.37350	\$0.48148
Rate Schedule 131		\$0.37164	\$0.37164		\$0.37350	\$0.37350
Rate Schedule 132		\$0.37164	\$0.37164		\$0.37350	\$0.37350
<b>Proposed</b>				<b>GRF:</b>	<b>1.005165</b>	
WACOG before revenue sensitive						
Rate Schedule 101	\$0.10721	\$0.38312	\$0.49033	\$0.10776	\$0.38510	\$0.49286
Rate schedule 111	\$0.10721	\$0.38312	\$0.49033	\$0.10776	\$0.38510	\$0.49286
Rate Schedule 112	\$0.10721	\$0.38312	\$0.49033	\$0.10776	\$0.38510	\$0.49286
Rate Schedule 131		\$0.38312	\$0.38312		\$0.38510	\$0.38510
Rate Schedule 132		\$0.38312	\$0.38312		\$0.38510	\$0.38510
<b>Change</b>						
WACOG before revenue sensitive						
Rate Schedule 101	(\$0.00023)	\$0.01148	\$0.01125	(\$0.00022)	\$0.01160	\$0.01138
Rate schedule 111	(\$0.00023)	\$0.01148	\$0.01125	(\$0.00022)	\$0.01160	\$0.01138
Rate Schedule 112	(\$0.00023)	\$0.01148	\$0.01125	(\$0.00022)	\$0.01160	\$0.01138
Rate Schedule 131		\$0.01148	\$0.01148		\$0.01160	\$0.01160
Rate Schedule 132		\$0.01148	\$0.01148		\$0.01160	\$0.01160

		Schedule 155					
Summary of Changes		Without Revenue Sensitive Costs			With Revenue Sensitive Costs		
		Firm (Demand) Amort	Sales (Commodity) Amort	Total Amort Rate	Firm (Demand) Amort	Sales (Commodity) Amort	Total Amort Rate
Present					GRF:	1.005016	
WACOG before revenue sensitive							
Rate Schedule 101		\$0.01052	(\$0.01037)	\$0.00015	\$0.01057	(\$0.01042)	\$0.00015
Rate Schedule 111		\$0.01052	(\$0.01037)	\$0.00015	\$0.01057	(\$0.01042)	\$0.00015
Rate Schedule 112							
Rate Schedule 131			(\$0.01037)	(\$0.01037)		(\$0.01042)	(\$0.01042)
Rate Schedule 132							
Proposed					GRF:	1.005165	
WACOG before revenue sensitive							
Rate Schedule 101		(\$0.02122)	(\$0.00919)	(\$0.03041)	(\$0.02133)	(\$0.00923)	(\$0.03056)
Rate schedule 111		(\$0.02122)	(\$0.00919)	(\$0.03041)	(\$0.02133)	(\$0.00923)	(\$0.03056)
Rate Schedule 112							
Rate Schedule 131			(\$0.00919)	(\$0.00919)		(\$0.00923)	(\$0.00923)
Rate Schedule 132							
Change							
WACOG before revenue sensitive							
Rate Schedule 101		(\$0.03174)	\$0.00118	(\$0.03056)	(\$0.03190)	\$0.00119	(\$0.03071)
Rate schedule 111		(\$0.03174)	\$0.00118	(\$0.03056)	(\$0.03190)	\$0.00119	(\$0.03071)
Rate Schedule 112							
Rate Schedule 131			\$0.00118	\$0.00118		\$0.00119	\$0.00119
Rate Schedule 132							

Check Total: (0.01933)  
(0.01933)  
0.01138  
0.01279  
0.01160

STATE OF IDAHO  
ANNUAL PGA FILING

\*AN -- Allocated North sum of Washington + Idaho

Line No.		Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	12 month Ended Total
<b>VOLUME FORECAST</b>														
1	Demand Forecast													
2	Rate Schedule 101	7,033,941	9,511,770	9,110,923	7,436,350	6,324,658	4,354,374	2,508,539	1,557,919	1,166,260	1,051,509	1,247,133	3,709,547	55,012,923
3	Rate Schedule 111	2,815,056	3,385,458	3,096,454	2,495,568	2,327,553	1,653,121	1,079,368	980,867	998,793	1,116,039	1,146,474	2,075,589	23,170,342
5	FIRM DEMAND THERMS	9,848,997	12,897,228	12,207,377	9,931,919	8,652,211	6,007,495	3,587,907	2,538,786	2,165,063	2,167,549	2,393,607	5,785,136	78,183,265
4	Rate Schedule 132	39,660	37,431	33,850	27,198	25,575	20,055	13,644	12,311	11,498	12,100	14,217	29,298	276,838
5	COMMODITY THERMS (SALES)	9,888,657	12,934,660	12,241,228	9,959,117	8,677,786	6,027,550	3,601,551	2,551,097	2,176,550	2,179,649	2,407,824	5,814,434	78,460,102
6	Fuel	157,258	187,766	187,486	159,249	147,780	108,452	73,609	48,416	39,565	42,477	45,648	107,312	1,305,018
7	TOTAL PURCHASE THERMS	10,045,915	13,122,426	12,428,714	10,118,366	8,825,566	6,136,002	3,675,160	2,599,513	2,216,115	2,222,126	2,453,471	5,921,746	79,765,120
<b>CUSTOMER FORECAST</b>														
9	Demand Forecast													
11	Rate Schedule 101	76,125	76,494	76,465	76,442	76,426	76,397	76,341	76,402	76,438	76,462	76,753	76,975	917,720
12	Rate Schedule 111	1,384	1,397	1,385	1,387	1,388	1,388	1,395	1,389	1,385	1,380	1,378	1,379	16,633
13	Rate Schedule 132													
14	Total Customers	77,510	77,891	77,851	77,830	77,814	77,786	77,737	77,792	77,824	77,843	78,132	78,355	934,365



	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Total
	30	31	31	28	31	30	31	30	31	31	30	31	365
<b>DEMAND FORECAST</b>													
<b>DOMESTIC PIPELINES:</b>													
<b>NORTHWEST PIPELINE</b>													
Contract													
100010	\$ 1,632,050	\$ 1,686,452	\$ 1,686,452	\$ 1,523,247	\$ 1,686,452	\$ 1,632,050	\$ 1,686,452	\$ 1,632,050	\$ 1,686,452	\$ 1,686,452	\$ 1,632,050	\$ 1,686,452	\$ 19,856,610
100164	\$ 123,000	\$ 127,100	\$ 127,100	\$ 114,800	\$ 127,100	\$ 123,000	\$ 127,100	\$ 123,000	\$ 127,100	\$ 127,100	\$ 123,000	\$ 127,100	\$ 1,496,500
100314	\$ 97,933	\$ 101,197	\$ 101,197	\$ 91,404	\$ 101,197	\$ 97,933	\$ 101,197	\$ 97,933	\$ 101,197	\$ 101,197	\$ 97,933	\$ 101,197	\$ 1,191,513
100408	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
136948	\$ 61,500	\$ 63,550	\$ 63,550	\$ 57,400	\$ 63,550	\$ 61,500	\$ 63,550	\$ 61,500	\$ 63,550	\$ 63,550	\$ 61,500	\$ 63,550	\$ 748,250
136950	\$ 65,559	\$ 67,744	\$ 67,744	\$ 61,188	\$ 67,744	\$ 65,559	\$ 67,744	\$ 65,559	\$ 67,744	\$ 67,744	\$ 65,559	\$ 67,744	\$ 797,635
<b>Demand Costs</b>	<b>\$ 1,980,042</b>	<b>\$ 2,046,043</b>	<b>\$ 2,046,043</b>	<b>\$ 1,848,039</b>	<b>\$ 2,046,043</b>	<b>\$ 1,980,042</b>	<b>\$ 2,046,043</b>	<b>\$ 1,980,042</b>	<b>\$ 2,046,043</b>	<b>\$ 2,046,043</b>	<b>\$ 1,980,042</b>	<b>\$ 2,046,043</b>	<b>\$ 24,990,507</b>
92 Less End User Capacity releases													
93 Less Capacity Release													
<b>94 Total Demand Costs (USD)</b>	<b>\$ (773,334)</b>	<b>\$ (799,112)</b>	<b>\$ (799,112)</b>	<b>\$ (721,778)</b>	<b>\$ (799,112)</b>	<b>\$ (773,334)</b>	<b>\$ (799,112)</b>	<b>\$ (773,334)</b>	<b>\$ (799,112)</b>	<b>\$ (799,112)</b>	<b>\$ (773,334)</b>	<b>\$ (799,112)</b>	<b>\$ (9,408,897)</b>
95 ID Allocation %	\$ 1,206,708	\$ 1,246,931	\$ 1,246,931	\$ 1,126,261	\$ 1,246,931	\$ 1,206,708	\$ 1,246,931	\$ 1,206,708	\$ 1,246,931	\$ 1,246,931	\$ 1,206,708	\$ 1,246,931	\$ 14,681,610
	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%
<b>96 ID Demand Costs</b>	<b>\$ 351,876</b>	<b>\$ 363,605</b>	<b>\$ 363,605</b>	<b>\$ 328,418</b>	<b>\$ 363,605</b>	<b>\$ 351,876</b>	<b>\$ 363,605</b>	<b>\$ 351,876</b>	<b>\$ 363,605</b>	<b>\$ 363,605</b>	<b>\$ 351,876</b>	<b>\$ 363,605</b>	<b>\$ 4,281,158</b>
97													
98													
99													
<b>GAS TRANSMISSION NORTHWEST</b>													
Contract													
101	\$ 1,389	\$ 1,436	\$ 1,436	\$ 1,297	\$ 1,436	\$ 1,389	\$ 1,436	\$ 1,389	\$ 1,436	\$ 1,436	\$ 1,389	\$ 1,436	\$ 11,320
102	\$ 3,664	\$ 3,786	\$ 3,786	\$ 3,420	\$ 3,786	\$ 3,664	\$ 3,786	\$ 3,664	\$ 3,786	\$ 3,786	\$ 3,664	\$ 3,786	\$ 34,465
103	\$ 6,860	\$ 7,088	\$ 7,088	\$ 6,402	\$ 7,088	\$ 6,860	\$ 7,088	\$ 6,860	\$ 7,088	\$ 7,088	\$ 6,860	\$ 7,088	\$ 73,058
104	\$ 467	\$ 482	\$ 482	\$ 435	\$ 482	\$ 467	\$ 482	\$ 467	\$ 482	\$ 482	\$ 467	\$ 482	\$ 5,066
105	\$ 2,295	\$ 2,372	\$ 2,372	\$ 2,142	\$ 2,372	\$ 2,295	\$ 2,372	\$ 2,295	\$ 2,372	\$ 2,372	\$ 2,295	\$ 2,372	\$ 17,943
106	\$ 20,021	\$ 20,689	\$ 20,689	\$ 18,687	\$ 20,689	\$ 20,021	\$ 20,689	\$ 20,021	\$ 20,689	\$ 20,689	\$ 20,021	\$ 20,689	\$ 179,418
107	\$ 102,130	\$ 105,534	\$ 105,534	\$ 95,321	\$ 105,534	\$ 102,130	\$ 105,534	\$ 102,130	\$ 105,534	\$ 105,534	\$ 102,130	\$ 105,534	\$ 960,498
108	\$ 9,679	\$ 10,002	\$ 10,002	\$ 9,034	\$ 10,002	\$ 9,679	\$ 10,002	\$ 9,679	\$ 10,002	\$ 10,002	\$ 9,679	\$ 10,002	\$ 95,155
109	\$ 741	\$ 766	\$ 766	\$ 692	\$ 766	\$ 741	\$ 766	\$ 741	\$ 766	\$ 766	\$ 741	\$ 766	\$ 7,407
110	\$ 614	\$ 634	\$ 634	\$ 573	\$ 634	\$ 614	\$ 634	\$ 614	\$ 634	\$ 634	\$ 614	\$ 634	\$ 5,768
111	\$ 795	\$ 822	\$ 822	\$ 742	\$ 822	\$ 795	\$ 822	\$ 795	\$ 822	\$ 822	\$ 795	\$ 822	\$ 6,990
112	\$ 520	\$ 537	\$ 537	\$ 485	\$ 537	\$ 520	\$ 537	\$ 520	\$ 537	\$ 537	\$ 520	\$ 537	\$ 4,344
113	\$ 7,268	\$ 7,510	\$ 7,510	\$ 6,783	\$ 7,510	\$ 7,268	\$ 7,510	\$ 7,268	\$ 7,510	\$ 7,510	\$ 7,268	\$ 7,510	\$ 88,427
114	\$ 6,902	\$ 7,132	\$ 7,132	\$ 6,442	\$ 7,132	\$ 6,902	\$ 7,132	\$ 6,902	\$ 7,132	\$ 7,132	\$ 6,902	\$ 7,132	\$ 83,974
115	\$ 45,027	\$ 46,528	\$ 46,528	\$ 42,025	\$ 46,528	\$ 45,027	\$ 46,528	\$ 45,027	\$ 46,528	\$ 46,528	\$ 45,027	\$ 46,528	\$ 547,827
116	\$ 372	\$ 385	\$ 385	\$ 347	\$ 385	\$ 372	\$ 385	\$ 372	\$ 385	\$ 385	\$ 372	\$ 385	\$ 4,528
117	\$ 392	\$ 405	\$ 405	\$ 366	\$ 405	\$ 392	\$ 405	\$ 392	\$ 405	\$ 405	\$ 392	\$ 405	\$ 4,774
118	\$ 518	\$ 536	\$ 536	\$ 484	\$ 536	\$ 518	\$ 536	\$ 518	\$ 536	\$ 536	\$ 518	\$ 536	\$ 6,307
119	\$ 379	\$ 392	\$ 392	\$ 354	\$ 392	\$ 379	\$ 392	\$ 379	\$ 392	\$ 392	\$ 379	\$ 392	\$ 4,611
120	\$ 69,858	\$ 72,187	\$ 72,187	\$ 65,201	\$ 72,187	\$ 69,858	\$ 72,187	\$ 69,858	\$ 72,187	\$ 72,187	\$ 69,858	\$ 72,187	\$ 849,943
<b>Total Demand Costs</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 289,222</b>	<b>\$ 261,233</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 2,991,824</b>
122 Less Capacity Release													
<b>123 Total Demand Costs (USD)</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 289,222</b>	<b>\$ 261,233</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 289,222</b>	<b>\$ 279,893</b>	<b>\$ 289,222</b>	<b>\$ 2,991,824</b>
124 ID Allocation %	\$ 279,893	\$ 289,222	\$ 289,222	\$ 261,233	\$ 289,222	\$ 279,893	\$ 289,222	\$ 279,893	\$ 289,222	\$ 289,222	\$ 279,893	\$ 289,222	\$ 2,991,824
	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%
<b>125 ID Demand Costs</b>	<b>\$ 81,617</b>	<b>\$ 84,337</b>	<b>\$ 84,337</b>	<b>\$ 76,176</b>	<b>\$ 84,337</b>	<b>\$ 81,617</b>	<b>\$ 84,337</b>	<b>\$ 81,617</b>	<b>\$ 84,337</b>	<b>\$ 84,337</b>	<b>\$ 81,617</b>	<b>\$ 84,337</b>	<b>\$ 872,416</b>
126													
127													
<b>CANADIAN PIPELINES:</b>													
<b>TCPL - NOVA GAS TRANSMISSION</b>													
Contract													
2010445834	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 85,054	\$ 1,020,652
2010445835	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 59,559	\$ 714,714
2010445836	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 103,913	\$ 1,246,960
2010445837	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 4,968	\$ 59,611
2010445838	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 286,171	\$ 3,434,047
2014623869	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 155,066	\$ 1,860,794
2010447082	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 25,551	\$ 306,609
<b>System Demand Costs</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 770,282</b>	<b>\$ 8,643,387</b>
138 AN System Allocated	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 8,643,387
139 ID System Allocated	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 770,282	\$ 8,643,387
	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%	29.16%
<b>140 Idaho Demand Costs</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 1,873,506</b>
141	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 147,024	\$ 1,873,506
<b>142 Total Demand Costs</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 147,024</b>	<b>\$ 1,873,506</b>
143													

144	TCPL - FOOHILLS	Contract
146	AVA-F4	
147	AVA-F8	
148	AVA-F8	
149	AVA-F6	
150	AVA-F2	
151	Total Demand Costs (CDN)	
152	AN System Allocated	
153	ID System Allocated	
154	Idaho Demand Costs	
155	Total Demand Costs	
157		
158		
159	SPECTRA WESTCOAST ENERGY	Contract
160	F1-2483-B-00	
161		
162	Total Demand Costs (USD)	
164	ID System Allocated	
165	Idaho Demand Costs	
166		
167	TOTAL DEMAND COSTS	
168		
169		
170		
171	AMORTIZATION BALANCES	
172		
173	Firm Customers	
174	(Demand)	
175	Sales Customers	
176	(Commodity)	
177	Customer 1	
178	Customer 2	
179	Customer 3	
180	Customer 4	
181	Customer 5	
182	Total	
183		
184		
185		
186		
187		
188		
189		
190		
191		
192		
193		
194		
195		
196		
197		
198		
199		
200		
201		
202		
203		
204		
205		
206		
207		
208		
209		
210		
211		
212		
213		
214		
215		
216		
217		
218		
219		
220		
221		
222		
223		
224		
225		
226		
227		
228		
229		
230		
231		
232		
233		
234		
235		
236		
237		
238		
239		
240		
241		
242		
243		
244		
245		
246		
247		
248		
249		
250		
251		
252		
253		
254		
255		
256		
257		
258		
259		
260		
261		
262		
263		
264		
265		
266		
267		
268		
269		
270		
271		
272		
273		
274		
275		
276		
277		
278		
279		
280		
281		
282		
283		
284		
285		
286		
287		
288		
289		
290		
291		
292		
293		
294		
295		
296		
297		
298		
299		
300		
301		
302		
303		
304		
305		
306		
307		
308		
309		
310		
311		
312		
313		
314		
315		
316		
317		
318		
319		
320		
321		
322		
323		
324		
325		
326		
327		
328		
329		
330		
331		
332		
333		
334		
335		
336		
337		
338		
339		
340		
341		
342		
343		
344		
345		
346		
347		
348		
349		
350		
351		
352		
353		
354		
355		
356		
357		
358		
359		
360		
361		
362		
363		
364		
365		
366		
367		
368		
369		
370		
371		
372		
373		
374		
375		
376		
377		
378		
379		
380		
381		
382		
383		
384		
385		
386		
387		
388		
389		
390		
391		
392		
393		
394		
395		
396		
397		
398		
399		
400		
401		
402		
403		
404		
405		
406		
407		
408		
409		
410		
411		
412		
413		
414		
415		
416		
417		
418		
419		
420		
421		
422		
423		
424		
425		
426		
427		
428		
429		
430		
431		
432		
433		
434		
435		
436		
437		
438		
439		
440		
441		
442		
443		
444		
445		
446		
447		
448		
449		
450		
451		
452		
453		
454		
455		
456		
457		
458		
459		
460		
461		
462		
463		
464		
465		
466		
467		
468		
469		
470		
471		
472		
473		
474		
475		
476		
477		
478		
479		
480		
481		
482		
483		
484		
485		
486		
487		
488		
489		
490		
491		
492		
493		
494		
495		
496		
497		
498		
499		
500		



Avista Utilities  
State of Idaho  
Gas Cost Calculation

No.	Month	Purchased Volumes	Storage Volumes	Planned Hedged Volumes	Executed Hedged Volumes	(F)	(J)	Executed Hedged Cost	Estimated Index Cost	Total Hedged/ Index Cost	Storage Withdrawals Costs	Deferred Exchange Credits	Variable Transportation Cost	Total Estimated Cost	Sales Volumes	Estimated WACOG
	(A)	(B)	(C)	(D)	(E)	(F)	(J)	(K)	(L)	(M)	(P)		(R)	(S)	(Q)	(T)
1																
2																
3	Nov-14	10,045,915	0	185,060	5,131,008	4,749,847	\$ 62,288	\$ 2,203,935	\$ 1,842,830	\$ 4,109,052	\$ -	\$ (117,900)	\$ 10,088	\$ 4,001,240	9,888,657	\$ 0.40463
4	Dec-14	13,122,426	(5,159,268)	167,199	5,197,485	2,598,474	\$ 63,878	\$ 2,232,489	\$ 1,023,301	\$ 3,319,668	\$ 2,141,096	\$ (115,575)	\$ 13,256	\$ 5,358,445	12,934,660	\$ 0.41427
5	Jan-15	12,428,714	(5,361,078)	164,595	5,116,538	1,786,504	\$ 63,647	\$ 2,197,719	\$ 704,632	\$ 2,965,998	\$ 2,224,847	\$ (113,775)	\$ 13,571	\$ 5,090,641	12,241,228	\$ 0.41586
6	Feb-15	10,118,366	(3,691,898)	145,187	4,513,242	1,768,040	\$ 55,871	\$ 1,938,584	\$ 697,866	\$ 2,692,321	\$ 1,532,138	\$ (111,113)	\$ 9,230	\$ 4,124,558	9,959,117	\$ 0.41415
7	Mar-15	8,825,566	(1,991,197)	162,642	5,055,827	1,615,900	\$ 61,009	\$ 2,171,642	\$ 622,713	\$ 2,855,364	\$ 826,347	\$ (112,425)	\$ 9,230	\$ 3,578,516	8,677,786	\$ 0.41238
8	Apr-15	6,136,002	0	0	229,050	5,906,952	\$ -	\$ 82,567	\$ 2,026,804	\$ 2,109,370	\$ -	\$ (114,525)	\$ 6,682	\$ 2,001,527	6,027,550	\$ 0.33206
9	May-15	3,675,160	0	0	242,653	3,432,507	\$ -	\$ 87,470	\$ 1,170,123	\$ 1,257,594	\$ -	\$ (117,413)	\$ 4,151	\$ 1,144,332	3,601,551	\$ 0.31773
10	Jun-15	2,599,513	0	0	252,075	2,347,438	\$ -	\$ 90,867	\$ 794,326	\$ 885,192	\$ -	\$ (126,038)	\$ 3,706	\$ 762,861	2,551,097	\$ 0.29903
11	Jul-15	2,216,115	0	0	271,405	1,944,710	\$ -	\$ 97,835	\$ 668,998	\$ 766,833	\$ -	\$ (131,325)	\$ 3,243	\$ 638,750	2,176,550	\$ 0.29347
12	Aug-15	2,222,126	0	0	272,490	1,949,636	\$ -	\$ 98,226	\$ 668,265	\$ 766,491	\$ -	\$ (131,850)	\$ 2,923	\$ 637,564	2,179,649	\$ 0.29251
13	Sep-15	2,453,471	0	0	252,450	2,201,021	\$ -	\$ 91,002	\$ 745,082	\$ 836,084	\$ -	\$ (126,225)	\$ 3,293	\$ 713,152	2,407,824	\$ 0.29618
14	Oct-15	5,921,746	0	0	248,155	5,673,591	\$ -	\$ 89,454	\$ 2,001,201	\$ 2,090,654	\$ -	\$ (120,075)	\$ 6,222	\$ 1,976,801	5,814,434	\$ 0.33998
15	Total	79,765,120	(16,203,441)	804,682	26,782,377	35,974,621	\$ 306,692	\$ 11,381,789	\$ 12,966,140	\$ 24,654,622	\$ 6,724,428	\$ (1,438,238)	\$ 87,576	\$ 30,028,389	78,460,102	\$ 0.38272

GRI Funding (no change)

TOTAL Rate

20

21 3

Tab: Commodity

22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
85

Tab: Commodity

Avista Utilities  
State of Idaho  
Demand Cost Calculation (per Therm)

Line No.	Description	Estimated Demand Expense	
	(A)		
1	Northwest Pipeline Corporation (NWP)	\$	4,281,158
2			
3	TCPL - Gas Transmission Northwest	\$	872,416
4			
5	<b>Total Fixed Domestic Transportation Costs</b>	<b>\$</b>	<b>5,153,573</b>
6			
7	TransCanada - NOVA System	\$	1,873,506
8			
9	TransCanada - Foothills Pipe Line Ltd.	\$	1,032,070
10			
11	Spectra - Westcoast Energy Inc	\$	323,110
12			
13	<b>Total Fixed Canadian Transportation Costs</b>	<b>\$</b>	<b>3,228,686</b>
14			
15	<b>Total Demand Costs</b>	<b>\$</b>	<b>8,382,259</b>
16			
17	Demand Volumes (Th)		78,183,265
18	Demand Rate	\$	0.10721
19			
20		RCF:	1.005165
21	<b>Proposed Rate</b>		
22	Proposed Demand Rate without RCF	\$	0.10721
23	<b>Proposed Demand Rate with RCF</b>	<b>\$</b>	<b>0.10776</b>

Avista Utilities  
Idaho Gas Operations  
Development of Amortization Rate

SALES AMORTIZATION (Sch 101-131)						FIRM AMORTIZATION (Sch 101 and 111)					
Line No.		Sales Terms	Amortization	Interest	Balance		Firm Sales Terms	Amortization	Interest	Balance	
1				1.00%					1.00%		
2			\$ (0.00919)					\$ (0.02122)			
3											
4					\$ (718,304)					\$ (1,659,430)	
5											
Rate Schedule: 101-132						Rate Schedule: 101-121					
6	Nov-14	9,848,997	\$ 90,486.97	\$ (560.88)	\$ (628,377.49)	Nov-14	9,848,997	\$ 208,995.72	\$ (1,295.78)	\$ (1,451,729.74)	
7	Dec-14	12,897,228	\$ 118,492.38	\$ (474.28)	\$ (510,359.39)	Dec-14	12,897,228	\$ 273,679.18	\$ (1,095.74)	\$ (1,179,146.30)	
8	Jan-15	12,207,377	\$ 112,154.43	\$ (378.57)	\$ (398,583.53)	Jan-15	12,207,377	\$ 259,040.55	\$ (874.69)	\$ (920,980.44)	
9	Feb-15	9,931,919	\$ 91,248.81	\$ (294.13)	\$ (307,628.85)	Feb-15	9,931,919	\$ 210,755.31	\$ (679.67)	\$ (710,904.80)	
10	Mar-15	8,652,211	\$ 79,491.58	\$ (223.24)	\$ (228,360.51)	Mar-15	8,652,211	\$ 183,599.91	\$ (515.92)	\$ (527,820.81)	
11	Apr-15	6,007,495	\$ 55,193.44	\$ (167.30)	\$ (173,334.37)	Apr-15	6,007,495	\$ 127,479.05	\$ (386.73)	\$ (400,728.49)	
12	May-15	3,587,907	\$ 32,963.64	\$ (130.71)	\$ (140,501.44)	May-15	3,587,907	\$ 76,135.38	\$ (302.22)	\$ (324,895.33)	
13	Jun-15	2,538,786	\$ 23,324.92	\$ (107.37)	\$ (117,283.89)	Jun-15	2,538,786	\$ 53,873.04	\$ (248.30)	\$ (271,270.59)	
14	Jul-15	2,165,053	\$ 19,891.27	\$ (89.45)	\$ (97,482.07)	Jul-15	2,165,053	\$ 45,942.42	\$ (206.92)	\$ (225,535.09)	
15	Aug-15	2,167,549	\$ 19,914.20	\$ (72.94)	\$ (77,640.81)	Aug-15	2,167,549	\$ 45,995.39	\$ (168.78)	\$ (179,708.48)	
16	Sep-15	2,393,607	\$ 21,991.10	\$ (55.54)	\$ (55,705.25)	Sep-15	2,393,607	\$ 50,792.34	\$ (128.59)	\$ (129,044.73)	
17	Oct-15	5,785,136	\$ 53,150.53	\$ (24.27)	\$ (2,578.99)	Oct-15	5,785,136	\$ 122,760.58	\$ (56.39)	\$ (6,340.54)	
18		78,183,265	\$ 718,303.27	\$ (2,578.68)	\$ (2,578.99)		78,183,265	\$ 1,659,048.87	\$ (5,959.73)	\$ (6,340.54)	

TOTAL AMORTIZATION RATES

Sales Amortization		RCF:		1.00517	
Proposed Amort.	Rate without revenue sensitive costs	\$	(0.00919)		
Proposed Amort.	Rate with revenue sensitive costs	\$	(0.00923)		

Firm Amortization		RCF:		1.00517	
Proposed Amort.	Rate without revenue sensitive costs	\$	(0.02122)		
Proposed Amort.	Rate with revenue sensitive costs	\$	(0.02133)		

**AVISTA UTILITIES**  
**Revenue Conversion Factor**  
**Idaho - Natural Gas System**  
**TWELVE MONTHS ENDED DECEMBER 31, 2013**

<b>Line No.</b>	<b>Description</b>	<b>Factor</b>
1	<b>Revenues</b>	1.000000
	<b>Expenses:</b>	
2	Uncollectibles	0.002608
3	Commission Fees	0.002530
4	Idaho State Income Tax	NA
5	Total Expenses	0.005138
6	Net Operating Income Before FIT	0.994862
7	Federal Income Tax @ 35%	0.348202
8	REVENUE CONVERSION FACTOR	0.646660
	REVENUE GROSS UP:	(1/1-.005138) 1.005165
		Prior RCF 1.005016

Avista Utilities  
State of Idaho  
Voluntary GRI Funding

	Northwest Pipeline		Transcanada - GTN Pipeline		Total
	TF-1	TF-1	TF-1	TF-1	
	Reservation	Volumetric	Reservation	Volumetric	
Previous Pipeline Rate (Per Therm)	\$0.00086	\$0.00088	\$0.00086	\$0.00088	
Current Pipeline Rate (Per Therm)	\$0.00076	\$0.00075	\$0.00076	\$0.00075	
Reduction in Pipeline Funding Rate (Per Therm)	\$0.00010	\$0.00013	\$0.00010	\$0.00013	
Montly Rate (Daily Rate X 365 Days/12 Months)	\$0.00316		\$0.00316		
NWP Demand Billing Determinates	558,085,000		0		
Estimated Transportation Volumes (Therms)		0		0	
GRI Funding Shortfall	\$1,764,000	\$0	\$0	\$0	
Idaho Percentage	30.01%	30.57%	30.01%	30.57%	
Total Idaho GRI Funding Shortfall	\$14,000	\$3,000	\$9,000	\$6,000	\$32,000

**Set the GRI Funding at the 11/1/99 Level.**



## NGTL System

## TransCanada's - NGTL System Transportation Rates

2014 Final Rates - Effective January 1, 2014

Receipt Services	Tariff Rate	Information Purposes		
	\$/10 <sup>3</sup> m <sup>3</sup> (Cdn)	c/GJ/d (Cdn)	c/Mcf/d (Cdn)	c/MMBtu/d (US)
<u>ET-R</u> Average Demand Rate (3 yr term) <sup>1</sup>	216.98/mo	18.9	20.2	19.3
<u>IT-R</u> (Interruptible Receipt)	8.20/d	21.7	23.2	22.2

Delivery Services	Tariff Rate	Information Purposes		
	\$/GJ (Cdn)	c/GJ/d (Cdn)	c/Mcf/d (Cdn)	c/MMBtu/d (US)
<u>ET-D</u> Demand Rate (1 yr term) <sup>2</sup>				
Group 1:				
Empress/McNeill Border	5.35/mo	17.6	18.8	18.0
Alberta-B.C. Border	5.18/mo	17.0	18.2	17.5
Gordondale Border/Boundary Lk Border	4.19/mo	13.8	14.7	14.1
Clairmont/Shell Creek/Edson	4.19/mo	13.8	14.7	14.1

Group 2:				
All Group 2 delivery locations	4.19/mo	13.8		
Group 3:				
All Group 3 delivery locations	5.02/mo	16.5		

Alberta - BC  
Border 5.18 \* .90  
(discount for 5+  
years) = \$4.662

<u>IT-D</u> (Interruptible Delivery)				
Group 1:				
Empress/McNeill Border	19.35	20.7	19.8	
Alberta-B.C. Border	18.74	20.1	19.2	

<http://www.transcanada.com/customerexpress/2766.html?print=yes>

07-14-2014

Gordondale Border / Boundary Lk Border	15.14	16.2	15.5
Clairmont/Shell Creek/Edson	15.14	16.2	15.5
Group 2:			
All Group 2 delivery points	15.14	16.2	15.5

<sup>1</sup> Find more details on Receipt Price Points at [Receipt Point Rates](#)

1-2 year term: 105% (Price Point C)

3-4 year term: 100% (Price Point B)

5+ year term: 95% (Price Point A)

<sup>2</sup> Find more details on Delivery Price Points at [Delivery Point Rates](#)

1-2 year term: 100% (Price Point Z)

3-4 year term: 95% (Price Point Y)

5+ year term: 90% (Price Point X)

- Rates are payable in Canadian dollars.

- For billing purposes, 10<sup>3</sup>m<sup>3</sup> units are used to Receipt Services and GJ units are for Delivery services

- Mcf and MMBtu units are provided for illustrative purposes only

- Conversion factors below have been used to calculate the rates provided for information purposes.

Cdn\$/US\$	1.03 - subject to change (updated Oct 1, 2013)
¢/GJ to ¢/MMBtu	1.06
\$/10 <sup>3</sup> m <sup>3</sup> to ¢/GJ	37.8 MJ/m <sup>3</sup>

- Actual heating value is dependent upon specific receipt or delivery points and ranges from 36.0 MJ/m<sup>3</sup> to 44.0 MJ/m<sup>3</sup>.

FT-R Rate Range	\$/10 <sup>3</sup> m <sup>3</sup>	¢/GJ/d	¢/Mcf/d	¢/MMBtu/d
FT-R Floor Rate	131.06/mo	11.4	12.2	11.7
FT-R Ceiling Rate	302.68/mo	26.3	28.2	27.0

- Rates do not include GST.

2013 Final Rates - Effective September 1, 2013

<http://www.transcanada.com/customerexpress/2766.html?print=yes>

07-14-2014



Receipt Services	Tariff Rate	Information Purposes		
	\$/10 <sup>3</sup> m <sup>3</sup>	¢/GJ/d	¢/Mcfd	¢/MMBtu/d
	(Cdn)	(Cdn)	(Cdn)	(US)
<u>ET-R</u> Average Demand Rate (3 yr term) 1	216.99/mo	18.87	20.2	19.8
<u>IT-R</u> (Interruptible Receipt)	8.20/d	21.7	23.2	22.7

Delivery Services	Tariff Rate	Information Purposes		
	\$/GJ	¢/GJ/d	¢/Mcfd	¢/MMBtu/d
	(Cdn)	(Cdn)	(Cdn)	(US)
<u>ET-D</u> Demand Rate (1 yr term) 2				
Group 1:				
Empress/McNeill Border	5.64/mo	18.6	19.9	19.4
Alberta-B.C. Border	5.74/mo	18.9	20.2	19.8
Gordondale Border/Boundary Lk Border	3.55/mo	11.7	12.5	12.2
Clairmont/Shell Creek/Edson	3.34/mo	11.0	11.7	11.5
Group 2:				
ATCO North FSD points	3.39/mo	11.1	11.9	11.7
ATCO South FSD points	3.34/mo	11.0	11.7	11.5
Alberta Montana/Unity/Cold Lake	3.55/mo	11.7	12.5	12.2
All other Group 2 delivery locations	3.34/mo	11.0	11.7	11.5
Group 3:				
ATCO North FSU points	4.12/mo	13.5	14.5	14.2
ATCO South FSU points	4.00/mo	13.2	14.1	13.8
All other Group 3 delivery locations	4.00/mo	13.2	14.1	13.8
<u>IT-D</u> (Interruptible Delivery)				
Group 1:				
Empress/McNeill Border		20.41	21.9	21.4
Alberta-B.C. Border		20.76	22.2	21.7
Gordondale Border / Boundary Lk Border		12.83	13.7	13.4
Clairmont/Shell Creek/Edson		12.07	12.9	12.6
Group 2:				

ATCO North FSD points	12.26	13.1	12.8
ATCO South FSD points	12.07	12.9	12.6
Alberta Montana/Unity/Cold Lake	12.83	13.7	13.4
All other Group 2 delivery points	12.07	12.9	12.6

1 Find more details on Receipt Price Points at [Receipt Point Rates](#)

1-2 year term: 105% (Price Point C)

3-4 year term: 100% (Price Point B)

5+ year term: 95% (Price Point A)

2 Find more details on Delivery Price Points at [Delivery Point Rates](#)

1-2 year term: 100% (Price Point Z)

3-4 year term: 95% (Price Point Y)

5+ year term: 90% (Price Point X)

- Rates are payable in Canadian dollars.

- For billing purposes, 10<sup>3</sup>m<sup>3</sup> units are used to Receipt Services and GJ units are for Delivery services

- Mcf and MMBtu units are provided for illustrative purposes only.

- Conversion factors below have been used to calculate the rates provided for information purposes:

Cdn\$/US\$ 1.01 - subject to change (updated May 1, 2013)

¢/GJ to ¢/MMBtu 1.06

\$/10<sup>3</sup>m<sup>3</sup> to ¢/GJ 37.8 MJ/m<sup>3</sup>

- Actual heating value is dependent upon specific receipt or delivery points and ranges from 36.0 MJ/m<sup>3</sup> to 44.0 MJ/m<sup>3</sup>

FT-R Rate Range	\$/10 <sup>3</sup> m <sup>3</sup>	¢/GJ/d	¢/Mcf/d	¢/MMBtu/d
FT-R Floor Rate	133.81/mo	11.4	12.2	11.9
FT-R Ceiling Rate	302.86/mo	26.3	28.2	27.6

- Rates do not include GST

Other information for TransCanada's NGTL System:

<http://www.transcanada.com/customerexpress/2766.html?print=yes>

07-14-2014

**Current**[Receipt Point Rates](#)[Fuel Rates](#)[AB Border Heat Values](#)[Delivery Point Rates](#)**Archives**[Receipt Point Rates](#)[Fuel Rates \(2004 - 2010\) \(22 KB, XLS\)](#)[Fuel Rates \(2000 - 2004\) \(41 KB, DOC\)](#)[AB Border Heat Values \(61 KB, PDF\)](#)**Disclaimer:**

The pricing and tolls information included on this website is intended to be used for planning purposes only and although TransCanada endeavours to maintain the information in such a way that is accurate and current, it may not provide accurate results. Use of this information is at user's sole risk and TransCanada shall not be liable for user's use or reliance on any results obtained from it.

Page Updated: 2014-04-15 12:05:45h CT

[Customer Express Home](#) » [Pricing & Tolls](#) » **NGTL System**

Copyright © 2014 TransCanada PipeLines Limited

<http://www.transcanada.com/customerexpress/2766.html?print=yes>

07-14-2014

Westcoast Energy Inc.  
TOLL SCHEDULES - SERVICE

**APPENDIX A**  
**DEMAND AND COMMODITY TOLLS**  
**TRANSPORTATION SERVICE - SOUTHERN**

**Firm Transportation Service - Southern**

Service Term	Demand Tolls \$/10 <sup>3</sup> m <sup>3</sup> /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area*	FortisBC Kingsvale to Huntingdon**
1 year	102.95	268.02	454.41	185.38
2 years	99.95	260.22	441.17	180.96
3 years	96.95	252.41	427.94	175.63
4 years	95.95	249.81	423.53	173.72
5 years or more	94.95	247.21	419.11	171.91

\* To be increased to the percentage amount of the applicable toll specified in a Service Agreement for Enhanced T-South Service

\*\* For Firm Transportation Service - Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

**Authorized Overrun Service**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	FortisBC Kingsvale to Huntingdon*
November to March	4.089	10.645	18.048	7.403
April to October	3.271	8.515	14.438	5.922

\* For AOS provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

Effective Date: April 1, 2014

## TABLE OF EFFECTIVE RATES

## 1. Rate Schedule FT, Firm Transportation Service

	Demand Rate (\$/GJ/Km/Month)
Zone 6	0.0066371155
Zone 7	0.0071891649
Zone 8*	0.0152615241
Zone 9	0.0080358941

## 2. Rate Schedule OT, Overrun Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 6	0.0002400272
Zone 7	0.0002599917

Zone 8 .0152615241 \* 170.7  
Miles = Total Rate 2.60514

## 3. Rate Schedule IT, Interruptible Transportation Service

	Commodity Rate (\$/GJ/Km)
Zone 8*	0.0005519236
Zone 9	0.0002906132

\* For Zone 8, Shippers Haul Distance shall be 170.7 km.

STATEMENT OF RATES  
Effective Rates Applicable to  
Rate Schedules TF-1, TF-2, TI-1, TPL-1 and TIL-1  
(Dollars per Dth)

Rate Schedule and Type of Rate	Base Tariff Rate(1), (3)	
	Minimum	Maximum
Rate Schedule TF-1 (4) (5)		
Reservation		
(Large Customer)		
System-Wide	.00000	.41000
15 Year Evergreen Exp.	.00000	.36263
25 Year Evergreen Exp.	.00000	.34234
Volumetric (2)		
(Large Customer)		
System-Wide	.00813	.03000
15 Year Evergreen Exp.	.00813	.00813
25 Year Evergreen Exp.	.00813	.00813
(Small Customer) (6)	.00813	.72155
Scheduled Overrun (2)	.00813	.44000
Rate Schedule TF-2 (4) (5)		
Reservation	.00000	.41000
Volumetric	.00813	.03000
Scheduled Daily Overrun	.00813	.44000
Annual Overrun	.00813	.44000
Rate Schedule TI-1 (2)		
Volumetric (7)	.00813	.44000
Rate Schedule TPL-1 (4) (5)		
Reservation	-	-
Volumetric (2)	-	-
Scheduled Overrun (2)	-	-
Rate Schedule TIL-1 (2)		
Volumetric	-	-

**\*\*\*\*\*Rates Effective October 1, 2013\*\*\*\*\***

**Point to Point Maximum Unit Rates (\$ per Dth)<sup>1</sup>**

Rate Schedule	Miles of Haul	Daily Non-Mileage Reservation	Daily Mileage Reservation*	Delivery*	Total Unit Base Rate (c+d+e)	ACA	Total Unit Rate (f + g)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<b>ITS</b>							
King-Malin	612.46	0.039216	0.305005	0.009799	0.354020	0.001200	0.355220
King-Stan	277.37	0.039216	0.138130	0.004438	0.181784	0.001200	0.182984
King-Spok	108.29	0.039216	0.053928	0.001733	0.094877	0.001200	0.096077
King-Tusc	609.80	0.039216	0.303680	0.009757	0.352653	0.001200	0.353853
Stan-Malin	335.09	0.039216	0.166875	0.005361	0.211452	0.001200	0.212652
<b>PS</b>					0.278108		0.278108
<b>AIS</b>					0.278108		0.278108
<b>ITS/STF<sup>2</sup></b>							
King-Malin							
Peak	612.46				0.491586	0.001200	0.492786
Off Peak	612.46				0.308369	0.001200	0.309569
King-Stan							
Peak	277.37				0.252667	0.001200	0.253867
Off Peak	277.37				0.158249	0.001200	0.159449
Stan-Malin							
Peak	335.09				0.293821	0.001200	0.295021
Off Peak	335.09				0.184107	0.001200	0.185307

\* Based on Miles of Haul

<sup>1</sup> Point-to-Point rates are for illustrative purposes only.

<sup>2</sup> Rates for interruptible and short-term firm service are seasonal. Effective June 1, 2013 - May 31, 2014, rates are based upon an election of 0 peak months. For additional information on seasonal rates refer to the Informational Postings/Services & Rates/Seasonal Rates section on GTN's website.

**Abbreviations:**

Annual Charge Adjustment (ACA), Short-Term Firm (STF), Parking Service (PS), Authorized Imbalance Service (AIS).

**Fuel:**

Maximum tariff fuel use rate is 0.0050% per Dth per pipeline mile. Check the informational postings section on GTN's website for discounts and applicable surcharges.

**Source:**

Fourth Revised Volume No. 1-A Sections 4.1, 4.2, 4.3 and 4.5.



RECEIVED

2014 SEP 15 AM 9:09

IDAHO PUBLIC  
UTILITIES COMMISSION

# **AVISTA UTILITIES**

Case No. AVU-G-14-04

**EXHIBIT “D”**

**Pipeline Tariffs**

September 12, 2014

RATE SCHEDULE TF-1  
Firm Transportation

1. AVAILABILITY

This Rate Schedule is available as provided herein and incorporates the General Terms and Conditions to any party (hereinafter called "Shipper") for the transportation of natural gas by Transporter through Transporter's mainline transmission system under the following conditions:

(a) Shipper desires firm service and Transporter has available capacity to render such firm service for Shipper. If at the time service is requested under this Rate Schedule, Transporter does not have capacity to receive firm transportation gas at the receipt point(s) requested for redelivery at the delivery point(s) requested, Transporter shall offer to receive firm transportation gas at other receipt point(s) where capacity may be available to enable redelivery at the delivery point(s) requested;

(b) Transporter can commence the service contemplated without need for construction of any additional pipeline facilities, except facilities for which a facilities agreement has been entered into between Transporter and Shipper pursuant to Section 21 or 29 of the General Terms and Conditions of this Tariff; and

(c) Shipper and Transporter have executed a Service Agreement for service under this Rate Schedule.

As used in this Rate Schedule, Transporter's mainline transmission system does not include Designated Laterals.

2. APPLICABILITY AND CHARACTER OF SERVICE

2.1 Applicability. This Rate Schedule shall apply to gas transported by Transporter for Shipper pursuant to the executed Service Agreement for service under this Rate Schedule for TF-1 (Large Customer) and TF-1 (Small Customer) service. The Service Agreement will specify the customer category, i.e., whether the Shipper is a Large Customer or Small Customer and, if the Shipper is an incremental expansion customer, whether the Shipper is a Columbia Gorge Expansion customer, a 15-Year Evergreen Expansion customer or a 25-Year Evergreen Expansion customer.

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(a) TF-1 (Large Customer): All rate provisions contained in this Rate Schedule apply to TF-1 (Large Customers).

(b) TF-1 (Small Customer): A TF-1 (Small Customer) is any pipeline or distribution company which elects Rate Schedule TF-1 (Small Customer) service and whose aggregate Transportation Contract Demand, as specified in its Service Agreement(s) hereunder, is for 10,000 Dth per day or less. (A Shipper qualified to elect either the TF-1 (Small Customer) or TF-1 (Large Customer) service hereunder may change its election permanently only in connection with the filing of a general Section 4 rate case by Transporter. Transporter shall provide such Shippers with an opportunity to make such an election prior to filing such rate applications.)

(c) Capacity Release Service is service initiated pursuant to Section 22 of the General Terms and Conditions and an executed Service Agreement for Rate Schedule TF-1 (Large Customer) service.

(d) Any Rate Schedule TF-1 (Small Customer) Shipper may convert all of its service temporarily to TF-1 (Large Customer) service to participate in Transporter's Capacity Release Program without amending its service agreement, provided that such temporary conversion shall be for a minimum term of twelve calendar months. Notice of the intent to so convert temporarily to TF-1 (Large Customer) service must be given to Transporter electronically using the TF-1 (Small Customer) temporary conversion election screen available in Northwest Passage on Transporter's Designated Site at least one (1) week prior to the beginning month for which such conversion is to become effective. Shipper's temporary conversion election constitutes agreement to the temporary conversion. Any TF-1 (Small Customer) Shipper participating in a temporary conversion to TF-1 (Large Customer) service shall pay all rates and charges applicable to TF-1 (Large Customer) service

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

2.1(d) (Continued)

during the term of such temporary conversion, including reservation charges and surcharges applicable to such Shipper's full Transportation Contract Demand or such other rate to which Transporter and Shipper mutually agree, reduced as applicable by revenue credits applicable to Released Capacity. Any Rate Schedule TF-1 (Small Customer) Shipper which participates in such a temporary conversion shall be entitled to return to Rate Schedule TF-1 (Small Customer) service upon expiration of the term of the temporary conversion requested by such Shipper. However, such Shipper shall not be entitled to release its capacity rights for a term which extends beyond the term of the temporary conversion.

2.2 Transportation Components. Transportation service under this Rate Schedule, which does not include service on Designated Laterals, shall consist of:

(a) The receipt by Transporter for the account of Shipper of Shipper's gas at the Receipt Point(s) specified in the executed Service Agreement;

(b) The transportation of such gas through Transporter's pipeline system for the account of Shipper either directly or by displacement; and

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

2. APPLICABILITY AND CHARACTER OF SERVICE (Continued)

(c) The delivery of gas in thermally equivalent quantities after transportation (less any fuel use reimbursement furnished in-kind in accordance with Section 14 of the General Terms and Conditions) by Transporter to Shipper or for the account of Shipper at the Delivery Point(s) specified in the executed Service Agreement.

2.3 Character of Service. Transportation service rendered to Shipper under this Rate Schedule is firm up to Shipper's Transportation Contract Demand as specified in its executed Service Agreement, subject to the executed Service Agreement and the limitations of this Rate Schedule, and is not subject to curtailment or interruption except as expressly provided in the General Terms and Conditions. Transportation service rendered under this Rate Schedule in excess of Shipper's Transportation Contract Demand is not firm.

3. MONTHLY RATE(S)

Each month, Shipper will pay Transporter for service rendered under this Rate Schedule the sum of the amounts specified in this Section 3, as applicable. Only those rate provisions contained in Sections 3.2, 3.4, 3.5 and 3.7 apply to TF-1 (Small Customers).

3.1 Reservation Charge.

(a) For TF-1 (Large Customer) service, the Reservation Charge is the sum of the daily product of Shipper's Transportation Contract Demand as specified in the executed Service Agreement and the Base Tariff Reservation Charge stated on Sheet No. 5 of this Tariff that applies to the customer category identified in the Service Agreement. Unless specifically adjusted pursuant to Section 3.5 herein, the Maximum Base Tariff Rate set forth on Sheet No. 5 will apply.

For capacity release service, the Reservation Charge is the sum of the daily product of the accepted reservation charge bid

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

3. MONTHLY RATE(S) (Continued)

price which was bid by a Replacement Shipper or a Prearranged Replacement Shipper under the bidding procedures for capacity releases set forth in Section 22 of the General Terms and Conditions and the Transportation Contract Demand acquired by the Replacement Shipper or the Prearranged Replacement Shipper.

(b) Shipper will pay the Reservation Charges commencing with the primary term begin date set forth in the Service Agreement.

3.2 Volumetric Charge: The sum of (a) and (b) below:

(a) An amount obtained by multiplying (i) the quantity of Dth scheduled for delivery by Transporter to Shipper after transportation during the month, after reduction for fuel use reimbursement furnished in kind in accordance with the terms of the executed Service Agreement and Section 14 of the General Terms and Conditions, by (ii) the TF-1 (Large Customer) or TF-1 (Small Customer) base tariff volumetric transportation rate as set forth on Sheet No. 5 of this Tariff. Unless specifically adjusted pursuant to Section 3.5 herein, the Maximum Base Tariff Rate set forth on Sheet No. 5 shall apply.

(b) An amount obtained by multiplying (i) the quantity of Dth scheduled for delivery by Transporter to Shipper after transportation during the month, after reduction for fuel use reimbursement furnished in kind in accordance with the terms of the executed Service Agreement and Section 14 of the General Terms and Conditions, by (ii) the ACA component as referenced in footnote 2 on Sheet No. 5-A of this Tariff. This charge shall be subject to adjustment in accordance with Section 16 of the General Terms and Conditions.

3.3 Volumetric Release Charges: For Capacity Release service pursuant to Section 22 of the General Terms and Conditions which is provided under a volumetric bid rate the sum of (a), (b) and, if applicable, (c) below:

(a) The amount obtained by multiplying (i) the quantity of Dth scheduled for delivery by Transporter to Replacement Shipper or Prearranged Replacement Shipper after transportation during the month, after

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

3. MONTHLY RATE(S) (Continued)

reduction for fuel use reimbursement furnished in kind in accordance with the terms of the executed Service Agreement and Section 14 of the General Terms and Conditions, by (ii) the accepted volumetric bid made by a Replacement Shipper or a Prearranged Replacement Shipper and by (iii) the Rate Schedule TF-1 Capacity Release Service Base Tariff Volumetric Charge, both as set forth on Sheet No. 5 of this Tariff.

(b) The amount set forth in Section 3.2 (b) hereof.

(c) If the Releasing Shipper has specified a minimum average load factor volumetric commitment, an amount equal to the accepted volumetric bid times the difference, if positive, between (i) the specified average load factor times Replacement Shipper's or Prearranged Replacement Shipper's Transportation Contract Demand times the number of days the Transportation Service Agreement is in effect during the month, and (ii) the quantity of Dth delivered by Transporter to Replacement Shipper or Prearranged Replacement Shipper under the subject Service Agreement during the month.

3.4 Additional Facility Reservation Surcharge: A Shipper who contracts for Columbia Gorge Expansion Project capacity will pay the facility reservation surcharge set forth in the footnotes to Sheet No. 5 of this Tariff and such surcharge will be in addition to all other applicable rates stated in this Section 3. The facility reservation surcharge was derived based on Transportation Contract Demand and the cost of service attributable to the Columbia Gorge Expansion Project incremental facilities and such derivation will remain in place until such time as a different allocation procedure is specified by Commission order. The monthly facilities reservation surcharge will be the sum of the daily product of Shipper's Transportation Contract Demand as specified in the executed Service Agreement and the applicable facility reservation surcharge for the Columbia Gorge Expansion Project facilities specified in the Footnotes to Sheet No. 5 of this Tariff.

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

3. MONTHLY RATE(S) (Continued)

3.5 Discounted Recourse Rates:

(a) Transporter reserves the right to discount at any time the Recourse Rates for any individual Shipper under any service agreement without discounting any other Recourse Rates for that or another Shipper; provided, however, that such discounted Recourse Rates will not be less than the minimum base rates set forth on Sheet No. 5 of this Tariff, or any superseding tariff. Such discounted Recourse Rates may apply to specific volumes of gas (such as volumes above or below a certain level or all volumes if volumes exceed a certain level), volumes of gas transported during specific time periods, and volumes of gas transported from specific receipt points and/or to specific delivery points, within specific corridors, or within other defined geographical areas. If Transporter discounts any Recourse Rates to any Shipper, Transporter will file with the Commission any required reports reflecting such discounts.



RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

3. MONTHLY RATE(S) (Continued)

3.6 Charges for Capacity Release Service: The rates for capacity release service are set forth in Sheet No. 5. See Section 22 of the General Terms and Conditions for information about rates for capacity release service, including information about acceptable bids. In the event of a base tariff maximum and/or minimum rate change, wherein the Replacement Shipper has not agreed to pay the Maximum Base Tariff Rate or a percentage of the Maximum Base Tariff Rate (as it may change from time-to-time), the Replacement Shipper will be obligated to pay:

(a) for capacity release transactions that are subject to the Maximum Base Tariff Rate pursuant to FERC regulations: the lesser of the awarded bid rate and the new Maximum Base Tariff Rate unless the awarded bid rate is less than the new minimum rate, in which case the new minimum rate will apply for the remaining term of the release.

(b) for capacity release transactions that are not subject to the Maximum Base Tariff Rate pursuant to FERC regulations: the greater of the minimum base tariff rate and the awarded bid rate for the remaining term of the release.

3.7 Negotiated Rates: Notwithstanding the general provisions of this Section 3, if Transporter and Shipper mutually agree to Negotiated Rates for service hereunder, such Negotiated Rates will apply in lieu of the otherwise applicable rates identified in this Section 3.

3.8 Facilities Charge: If Transporter and Shipper enter into a facilities agreement pursuant to Section 21 or 29 of the General Terms and Conditions for Transporter to construct facilities and for Shipper to pay a facilities charge, the facilities charge will be set forth on Exhibit C to an executed Service Agreement.

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

4. MINIMUM MONTHLY BILL

Unless Transporter and Shipper mutually agree otherwise, the Minimum Monthly Bill will consist of the Reservation Charge specified in Section 3.1 of this Rate Schedule, as applicable.

5. TRANSPORTATION CONTRACT DEMAND

The Transportation Contract Demand is the maximum quantity of Gas, expressed in Dth, that Transporter is obligated to receive (exclusive of fuel reimbursement furnished in-kind pursuant to Section 14 of the General Terms and Conditions), transport and deliver for Shipper on a

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

5. TRANSPORTATION CONTRACT DEMAND (Continued)

firm basis on any one Gas Day, as specified in an executed Service Agreement for service under this Rate Schedule. Transporter's service obligation is limited to Shipper's Transportation Contract Demand as adjusted for any released capacity pursuant to Section 22 of the General Terms and Conditions.

As long as the Transportation Contract Demand, as adjusted for any capacity releases, is not exceeded, Transporter shall be obligated to receive up to Shipper's Maximum Daily Quantity (MDQ) at each Primary Receipt Point and to deliver up to Transporter's Maximum Daily Delivery Obligation (MDDO) at each Primary Delivery Point at pressures at least as great as the pressures specified in Shipper's TF-1 Service Agreement, on a firm basis, as such MDQ and MDDO are adjusted for any released capacity pursuant to Section 22 of the General Terms and Conditions.

The aggregate MDQ at the Primary Receipt Points, as specified in a Service Agreement for service under this Rate Schedule, must equal the Transportation Contract Demand. The aggregate MDDO at the Primary Delivery Points, as specified in a Service Agreement for service under this Rate Schedule, must equal the Transportation Contract Demand, except for those Service Agreements that have aggregate MDDOs in excess of Transportation Contract Demand as a result of the grandfathering of pre-existing conjunctive nomination rights under the sales conversion program approved in Docket No. CP92-79.

6. SCHEDULED OVERRUN TRANSPORTATION

On any day Shipper nominates quantities of gas in excess of Shipper's Transportation Contract Demand specified in the executed Service Agreement, Transporter will schedule such quantities in accordance with the priority of service and curtailment policy delineated in Section 12 of the General Terms and Conditions.

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

6. SCHEDULED OVERRUN TRANSPORTATION (Continued)

For Scheduled Quantities in excess of Shipper's Transportation Contract Demand, Shipper shall pay for the excess gas transportation on any such day the amounts specified below:

6.1 An amount obtained as the sum of (a) and (b):

(a) An amount obtained by multiplying (i) the quantity of Dth in excess of Transportation Contract Demand by (ii) the maximum base scheduled overrun transportation rate per Dth as set forth on Sheet No. 5 of this Tariff, unless otherwise agreed to by Shipper and Transporter.

(b) An amount obtained by multiplying (i) the quantity of Dth in excess of Transportation Contract Demand by (ii) the ACA component as referenced in footnote 2 on Sheet No. 5-A of this Tariff. This charge shall be subject to adjustment in accordance with Section 16 of the General Terms and Conditions.

(c) Additionally, if Shipper and Transporter have agreed to a rate other than the maximum base scheduled overrun transportation rate, Shipper may, when nominating, electronically select an option that will automatically increase (by a stated dollar increment per dth) such rate up to the rate that will increase the likelihood of such quantities being scheduled pursuant to Section 12 of the General Terms and Conditions.

6.2 The fuel reimbursement provided for in Section 7 of this Rate Schedule.

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

7. FUEL GAS REIMBURSEMENT AND BTU BALANCING  
Refer to Section 14 of the General Terms and Conditions.
8. SHIPPER'S ARRANGEMENTS PRIOR TO RECEIPT AND AFTER DELIVERY  
Refer to Section 14 of the General Terms and Conditions.
9. GENERAL TERMS AND CONDITIONS

The General Terms and Conditions contained in this Tariff, except as modified in the executed Service Agreement, are applicable to this Rate Schedule and are hereby made a part hereof.

10. RESERVATION CHARGE ADJUSTMENTS

10.1 Eligibility. Any Shipper receiving firm transportation service under this Rate Schedule may be eligible for reservation charge adjustments if Transporter fails to provide primary firm transportation due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities.

10.2 Definitions. For purposes of this Section 10 only, the following definitions apply:

Annual Deficiency Volume: The Annual Deficiency Volume for any Constraint Point is the sum of the Deficiency Volumes at that Constraint Point for all Deficiency Periods during a calendar year.

Annual Exemption Volume: The Annual Exemption Volume for any Constraint Point is the lesser of (1) the Constraint Point Design Capacity or (2) the aggregate Constraint Point Firm Rights, times 365 (or 366 days for leap years), multiplied by three percent (3%).

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

Constraint Point: Any receipt point, delivery point, or corridor through which primary nominations are not confirmed due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities at such constraint point or upstream or downstream of such point which reduce Transporter's ability to flow gas through the point.

Constraint Point Actual Capacity: Physical capacity at a Constraint Point which is available on any day.

Constraint Point Design Capacity: Physical design capacity at a Constraint Point when all facilities are fully functional under reasonably representative operating assumptions.

Constraint Point Firm Rights: The rights of a Shipper under Rate Schedule TF-1 to receive firm service through a Constraint Point, based on (1) primary receipt and delivery point rights and (2) corridor rights where primary receipt and/or delivery points establish a call on the relevant capacity.

Deficiency Period: A Deficiency Period begins on the day when aggregate nominations using Constraint Point Firm Rights exceed Constraint Point Actual Capacity and Transporter is unable to schedule otherwise acceptable nominations due to scheduled or unscheduled maintenance, force majeure, or the Unavailability of Transporter's Facilities. A Deficiency Period continues until the earlier of (1) the day when the Constraint Point Actual Capacity is restored to the level of the Constraint Point Design Capacity or (2) the day when Transporter is able to schedule all otherwise acceptable nominations with applicable Constraint Point Firm Rights. A Deficiency Period may be a Declared Entitlement Period, subject to the provisions of Section 14.6 of the General Terms and Conditions.

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

Deficiency Volume: The quantity derived from subtracting the Constraint Point Actual Capacity from the lesser of (1) the Constraint Point Design Capacity or (2) the aggregate Constraint Point Firm Rights.

Excess Deficiency Volume: The Excess Deficiency Volume for any Constraint Point is the amount by which the Annual Deficiency Volume for a Constraint Point exceeds the Annual Exemption Volume for that Constraint Point.

Unavailability of Transporter's Facilities: Where Transporter's facilities that have been certificated, constructed, and placed into service cannot be fully utilized for their intended operation and use for reasons other than scheduled or unscheduled maintenance or force majeure.

10.3 Determination of Adjustments. Pursuant to extensive negotiations and the settlement reached between Transporter and Shippers as identified in Docket No. RP99-81-000, and approved by the Commission on November 6, 1998, 85 FERC ¶ 61,195, reservation adjustments will be calculated as follows:

(a) On the first day of any Deficiency Period, Transporter will post to its Designated Site the daily Deficiency Volume for the affected Constraint Point, the Constraint Point Design Capacity, the Constraint Point Actual Capacity, and the estimated duration of the Deficiency Period. Such information may be revised as applicable during the Deficiency Period.

(b) At least 24 hours prior to the end of any Deficiency Period, Transporter will notify affected Shippers via a posting on Transporter's Designated Site, and, if specified by Shipper on the Business Associate Information form, via an Internet E-mail or fax to the Shipper, of the date on which Transporter expects to restore the Constraint Point Design Capacity or to be able to schedule all nominations with Constraint Point Firm Rights. If Transporter is able to restore the Constraint Point Design Capacity or is able to schedule such nominations, the Deficiency Period will be deemed to have ended as specified by Transporter. Otherwise, the Deficiency Period will continue until Constraint Point Design Capacity is restored or aggregate nominations with Constraint Point Firm Rights can be scheduled.

RATE SCHEDULE TF-1  
Firm Transportation (Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

(c) At the end of each calendar year, Transporter will post the Annual Deficiency Volume and the Annual Exemption Volume for each affected Constraint Point. Transporter will then compare the Annual Deficiency Volume for each affected Constraint Point to the Annual Exemption Volume for that Constraint Point. If there is an Excess Deficiency Volume for any Constraint Point, Transporter will allocate such Excess Deficiency Volume pro rata to the affected Shippers, based on Constraint Point Firm Rights during the Deficiency Period(s). Each Shipper's allocation will be the sum of its applicable Constraint Point Firm Rights for all Deficiency Periods divided by the sum of the applicable Constraint Point Firm Rights of all Shippers for those Deficiency Periods, multiplied by the Excess Deficiency Volume for a Constraint Point.

(d) Transporter will calculate reservation charge adjustments under each Service Agreement by multiplying a Shipper's allocated share of the Excess Deficiency Volume for each Constraint Point by the weighted average Base Tariff Reservation Charge paid under such Service Agreement for such Constraint Point for the Deficiency Periods during which the Service Agreement was in effect.

10.4 Payment. All reservation charge adjustments will be issued or refunds paid within 90 days from the end of the applicable calendar year.



RATE SCHEDULE TF-1  
Firm Transportation (Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

(c) At the end of each calendar year, Transporter will post the Annual Deficiency Volume and the Annual Exemption Volume for each affected Constraint Point. Transporter will then compare the Annual Deficiency Volume for each affected Constraint Point to the Annual Exemption Volume for that Constraint Point. If there is an Excess Deficiency Volume for any Constraint Point, Transporter will allocate such Excess Deficiency Volume pro rata to the affected Shippers, based on Constraint Point Firm Rights during the Deficiency Period(s). Each Shipper's allocation will be the sum of its applicable Constraint Point Firm Rights for all Deficiency Periods divided by the sum of the applicable Constraint Point Firm Rights of all Shippers for those Deficiency Periods, multiplied by the Excess Deficiency Volume for a Constraint Point.

(d) Transporter will calculate reservation charge adjustments under each Service Agreement by multiplying a Shipper's allocated share of the Excess Deficiency Volume for each Constraint Point by the weighted average Base Tariff Reservation Charge paid under such Service Agreement for such Constraint Point for the Deficiency Periods during which the Service Agreement was in effect.

10.4 Payment. All reservation charge adjustments will be issued or refunds paid within 90 days from the end of the applicable calendar year.

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

10.5 Sole Remedy. Reservation charge adjustments pursuant to this Section 10 are Shipper's sole remedy for damages relating to Transporter's failure to provide primary firm transportation service under Rate Schedule TF-1, unless such damages result from the negligence or willful misconduct of Transporter.

11. RECEIPT AND DELIVERY POINT FLEXIBILITY

11.1 Permanent Changes to Primary Receipt and Delivery Points. Subject to the availability provisions of this Rate Schedule, any Shipper may permanently change primary receipt or delivery points by amending Exhibit A of the Service Agreement.

11.2 Use of Alternate Receipt and Delivery Points on a Temporary Basis.

(a) All TF-1 Shippers may use any physical receipt or delivery point without amending Exhibit A of the Service Agreement. Such points will be available for the receipt or delivery of gas on a firm basis, in accordance with the scheduling priorities delineated in Section 12 of the General Terms and Conditions.

(b) Transporter shall schedule service at alternate receipt and delivery points on a daily basis pursuant to Section 14 of the General Terms and Conditions.

(c) The scheduling of service at alternate receipt or delivery points under a Service Agreement will not result in the loss of firm contract rights to a Shipper's primary receipt or delivery points as specified in the Shipper's Service Agreement.

11.3 Procedures for Requesting Permanent Receipt and Delivery Point Changes. Any Shipper who wishes to amend the primary receipt or delivery points, or the associated Maximum Daily Quantity or Maximum Daily Delivery Obligation named in Exhibit A of its Service Agreement, will electronically request and execute on Transporter's Designated Site an amendment to the applicable Service Agreement

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

11. RECEIPT AND DELIVERY POINT FLEXIBILITY (Continued)

by 1:00 p.m. Central Clock Time (12:00 noon Mountain Clock Time) four (4) business days prior to the first of the month for which the change is desired, or for changes to occur during a month, after the first of the month, two (2) business days prior to the commencement of service, unless otherwise agreed to by the parties. If Transporter determines that a receipt or delivery point change request can be honored, the amendment to the Service Agreement will be executed by Transporter. The change will become effective on the later of the requested effective date or the date executed by Transporter, provided that such date shall not exceed fifteen days from the date of receipt of the amendment by Transporter. Notice of the resulting changes in available receipt or delivery point capacity will be posted to Transporter's Designated Site at least one (1) business day prior to implementation of such change.

Firm receipt and delivery point and associated mainline capacity will be posted to Transporter's Designated Site pursuant to Section 25.2 of the General Terms and Conditions and will be available for permanent receipt and/or delivery point changes only pursuant to the procedures outlined in Section 25 of the General Terms and Conditions.

11.4 Transporter's Maximum Service Obligation. The total volumes nominated for service on any day for all receipt or delivery points must not exceed Transportation Contract Demand under a Shipper's firm Service Agreement, except as otherwise provided in Section 6 of this Rate Schedule.

12. CONTRACT TERM EXTENSIONS

12.1 Standard Unilateral Evergreen Provision. If Transporter and Shipper agree to include a standard unilateral evergreen provision as indicated on Exhibit A of a long-term Service Agreement, the following conditions will apply:

- (a) The established rollover period will be one year.

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

10. RESERVATION CHARGE ADJUSTMENTS (Continued)

10.5 Sole Remedy. Reservation charge adjustments pursuant to this Section 10 are Shipper's sole remedy for damages relating to Transporter's failure to provide primary firm transportation service under Rate Schedule TF-1, unless such damages result from the negligence or willful misconduct of Transporter.

11. RECEIPT AND DELIVERY POINT FLEXIBILITY

11.1 Permanent Changes to Primary Receipt and Delivery Points. Subject to the availability provisions of this Rate Schedule, any Shipper may permanently change primary receipt or delivery points by amending Exhibit A of the Service Agreement.

11.2 Use of Alternate Receipt and Delivery Points on a Temporary Basis.

(a) All TF-1 Shippers may use any physical receipt or delivery point without amending Exhibit A of the Service Agreement. Such points will be available for the receipt or delivery of gas on a firm basis, in accordance with the scheduling priorities delineated in Section 12 of the General Terms and Conditions.

(b) Transporter shall schedule service at alternate receipt and delivery points on a daily basis pursuant to Section 14 of the General Terms and Conditions.

(c) The scheduling of service at alternate receipt or delivery points under a Service Agreement will not result in the loss of firm contract rights to a Shipper's primary receipt or delivery points as specified in the Shipper's Service Agreement.

11.3 Procedures for Requesting Permanent Receipt and Delivery Point Changes. Any Shipper who wishes to amend the primary receipt or delivery points, or the associated Maximum Daily Quantity or Maximum Daily Delivery Obligation named in Exhibit A of its Service Agreement, will electronically request and execute on Transporter's Designated Site an amendment to the applicable Service Agreement

RATE SCHEDULE TF-1  
Firm Transportation  
(Continued)

11. RECEIPT AND DELIVERY POINT FLEXIBILITY (Continued)

by 1:00 p.m. Central Clock Time (12:00 noon Mountain Clock Time) four (4) business days prior to the first of the month for which the change is desired, or for changes to occur during a month, after the first of the month, two (2) business days prior to the commencement of service, unless otherwise agreed to by the parties. If Transporter determines that a receipt or delivery point change request can be honored, the amendment to the Service Agreement will be executed by Transporter. The change will become effective on the later of the requested effective date or the date executed by Transporter, provided that such date shall not exceed fifteen days from the date of receipt of the amendment by Transporter. Notice of the resulting changes in available receipt or delivery point capacity will be posted to Transporter's Designated Site at least one (1) business day prior to implementation of such change.

Firm receipt and delivery point and associated mainline capacity will be posted to Transporter's Designated Site pursuant to Section 25.2 of the General Terms and Conditions and will be available for permanent receipt and/or delivery point changes only pursuant to the procedures outlined in Section 25 of the General Terms and Conditions.

11.4 Transporter's Maximum Service Obligation. The total volumes nominated for service on any day for all receipt or delivery points must not exceed Transportation Contract Demand under a Shipper's firm Service Agreement, except as otherwise provided in Section 6 of this Rate Schedule.

12. CONTRACT TERM EXTENSIONS

12.1 Standard Unilateral Evergreen Provision. If Transporter and Shipper agree to include a standard unilateral evergreen provision as indicated on Exhibit A of a long-term Service Agreement, the following conditions will apply:

- (a) The established rollover period will be one year.

System Map



STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
TRANSPORTATION OF NATURAL GAS

Rate Schedules FTS-1 and LFS-1

	RESERVATION							
	DAILY MILEAGE (a) (Dth-MILE)		DAILY NON-MILEAGE (b) (Dth)		DELIVERY (c) (Dth-MILE)		FUEL (d) (Dth-MILE)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	0.000498	0.000000	0.039216	0.000000	0.000016	0.000016	0.0050%	0.0000%
STF (e)	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (f)	0.003290	0.000000	0.005498	0.000000	0.000026	0.000026	---	---
E-2 (h)(l) (Diamond 1)	0.002972	0.000000	---	---	0.000000	0.000000	---	---
E-2 (h)(l) (Diamond 2)	0.001166	0.000000	---	---	0.000000	0.000000	---	---
COYOTE SPRINGS								
E-3 (i)	0.001412	0.000000	0.001420	0.000000	0.000000	0.000000	---	---
OVERRUN CHARGE (j)								
	---	---	---	---	---	---	---	---
SURCHARGES								
ACA (k)	---	---	---	---	(k)	(k)	---	---

STATEMENT OF EFFECTIVE RATES AND CHARGES FOR  
 TRANSPORTATION OF NATURAL GAS (a)

Rate Schedule ITS-1

	MILEAGE (n) (Dth-Mile)		NON-MILEAGE (o) (Dth)		DELIVERY (c) (Dth-Mile)		FUEL (d) (Dth-Mile)	
	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>	<u>Max.</u>	<u>Min.</u>
BASE	(e)	0.000000	(e)	0.000000	0.000016	0.000016	0.0050%	0.0000%
EXTENSION CHARGES								
MEDFORD								
E-1 (Medford) (f)	0.003290	0.000000	0.005498	0.000000	0.000026	0.000026	---	---
COYOTE SPRINGS								
E-3 (Coyote Springs) (i)	0.001412	0.000000	0.001420	0.000000	0.000000	0.000000	---	---
SURCHARGES								
ACA (k)	---	---	(k)	(k)	---	---	---	---



STATEMENT OF EFFECTIVE RATES AND CHARGES  
 FOR TRANSPORTATION OF NATURAL GAS

Notes:

- (a) The mileage component shall be applied per pipeline mile to gas transported by GTN for delivery to shipper based on the primary receipt and delivery points in Shipper's contract. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (b) The non-mileage component is applied per Shipper's MDQ at Primary Point(s) of Delivery on Mainline Facilities.
- (c) The delivery rates are applied per pipeline mile to gas transported by GTN for delivery to shipper based on distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (d) Fuel Use: Shipper shall furnish gas used for compressor station fuel, line loss, and other utility purposes, plus other unaccounted-for gas used in the operation of GTN's combined pipeline system in an amount equal to the sum of the current fuel and line loss percentage and the fuel and line loss percentage surcharge in accordance with Section 6.38 of this tariff, multiplied by the distance in pipeline miles transported from the receipt point to the delivery point multiplied by the transportation quantities of gas received from Shipper under these rate schedules. The current fuel and line loss percentage shall be adjusted each month between the maximum rate of 0.0050% per Dth per pipeline mile and the minimum rate of 0.0000% per Dth per mile. The fuel and line loss percentage surcharge is 0.0002% per Dth per pipeline mile. No fuel use charges will be assessed for backhaul service. Currently effective fuel charges may be found on GTN's Internet website under "Informational Postings."
- (e) Seasonal recourse rates apply to short-term firm (STF) service under Rate Schedule FTS-1 (i.e., firm service that has a term of less than one year and that does not include multiple-year seasonal service) and IT Service under Rate Schedule ITS-1. By March 1 of each year GTN may designate up to four (4) months as peak months during a twelve-month period beginning on June 1 of the same year through May 31 of the following year. All other months will be considered off-peak months. Reservation rate components that apply to STF service and per-unit-rate IT service are as follows (delivery charges and applicable surcharges continue to apply):

	4 Peak Mos.	3 Peak Mos.	2 Peak Mos.	1 Peak Mo.	0 Peak Mos.
Peak NM Res.	\$0.054902	\$0.054902	\$0.054902	\$0.054902	\$0.039216
Peak Mi. Res.	\$0.000697	\$0.000697	\$0.000697	\$0.000697	\$0.000498

Off-Pk NM Res.	\$0.031373	\$0.033987	\$0.036079	\$0.037790	\$0.039216
Off-Pk Mi. Res.	\$0.000399	\$0.000432	\$0.000458	\$0.000480	\$0.000498

Months currently designated as "Peak Months" may be found on GTN's Internet website under "Informational Postings." By March 1 of each year, GTN will post the Peak Months for the upcoming twelve-month period beginning June 1 of the same year.

- (f) Applicable to firm service on GTN's Medford Extension.
- (g) Reserved for Future Use.
- (h) Applies to Diamond Energy service, which commences 1998. Rate is negotiated reservation charge of \$0.002972 per Dth per day for first 45,000 Dth/d and \$0.001166 per Dth per day for the second 45,000 Dth/d. Revenues will be applied to annual revenue requirement on the Medford Extension.
- (i) Applicable to firm service on GTN's Coyote Springs Extension.
- (j) The Overrun Charge shall be equal to the rates and charges set forth for interruptible service under Rate Schedule ITS-1.
- (k) In accordance with Section 6.22 of the Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A, all Transportation services that involve the physical movement of gas shall pay an ACA unit adjustment. The currently effective ACA unit adjustment as published on the Commission's website ([www.ferc.gov](http://www.ferc.gov)) is incorporated herein by reference. This adjustment shall be in addition to the Base Tariff Rate(s) specified above.
- (l) Daily reservation charges will be reset for leap years.
- (m) Reserved.
- (n) The Rate Schedule ITS-1 Mileage Component shall be applied per pipeline mile to gas transported by GTN based on the distance of gas transported. Consult GTN's system map in Section 3 for receipt and delivery point and milepost designations.
- (o) The Rate Schedule ITS-1 Non-Mileage Component shall be applied per Dth of gas transported by GTN for immediate delivery to the facilities of another entity or an extension facility.

RESERVED FOR FUTURE USE

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS FOR

Parking and Authorized Imbalance Services  
(\$/Dth)

RATE SCHEDULE AND TYPE OF CHARGE	BASE TARIFF RATE	
	MINIMUM	MAXIMUM
PS-1 Parking Service:	0.0	0.278124/d
AIS-1 Authorized Imbalance Service:	0.0	0.278124/d

Notes:

STATEMENT OF EFFECTIVE RATES AND CHARGES  
 FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULES FTS-1 AND LFS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
Avista Corporation /1	11/1/01 - 10/31/25	FTS-1	20,000	Medford	Medford Ext. Meter	/7
Coral Energy Resources, LP /1	04/1/03 - /10	FTS-1	20,000	Malin	Kingsgate	/10
Pacific Gas and Electric Co. /1	01/01/12 - 05/31/14	FTS-1	50,000	Kingsgate	Malin	/4

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

Negotiated Rate Agreements Under Rate Schedules FTS-1 and LFS-1

Explanatory Footnotes for Negotiated Rates  
under Rate Schedules FTS-1 and LFS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Reservation Charge, Delivery Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.
- /4 The Maximum LTF Settlement Rate, as filed on October 31, 2007, in the Stipulation and Agreement of Settlement in Docket No. RP06-407-000 ("Settlement"), and approved by the Federal Energy Regulatory Commission on January 7, 2008, applies to the remaining initial term of contract F-10526 beyond the "Moratorium," as that term is defined in Article V.A.1 of the Settlement.
- /5 Reserved
- /6 Reserved
- /7 The Reservation charge shall be equal to the rate set forth in GTN's FERC Gas Tariff identified as FTS-1 E-2 (WWP), or its successor, multiplied by the appropriate Effective Period Percentage as shown in the following table.

Effective Period	Percentage
11/1/01-10/31/02	75%
11/1/02-10/31/03	80%
11/1/03-10/31/04	85%
11/1/04-10/31/05	90%
11/1/05-10/31/06	95%
11/1/06-10/31/25	100%

The Daily Delivery Charge shall be equal to the 100% load factor equivalent of the FTS-1 E-2 rate, or its successor, and shall be multiplied by the positive difference between (a) volumes delivered and (b) the contract MDQ times the appropriate Effective Period Percentage.

Daily Delivery Charge = [Dth Delivered - (MDQ \* Effective Period %)] \* 100% Load Factor Equivalent FTS-1 E-2

/8 Reserved

/9 Reserved

/10 The Reservation Rate shall be \$0.02/Dth applied to the MDQ of the Agreement. In addition to the Reservation Rate, Coral shall pay commodity charges based on the actual gas transported. The Commodity Rate shall be redetermined daily and will equal (the Gas Daily Midpoint Price for PG&E, Malin minus the Gas Daily Midpoint Price for Stanfield, Ore. minus an Allowance for GTN Fuel minus \$0.004356/Dth minus \$0.02/Dth minus the applicable ACA surcharge per Dth) multiplied by 50%.

The Allowance for GTN Fuel shall be determined daily by the following expression:

The Gas Daily Midpoint Price for Stanfield, Ore. multiplied by the applicable fuel and line loss percentage for the actual path utilized to transport gas.

In the event that the index for Stanfield, Ore. and/or PG&E, Malin are not published on any given day (other than a weekend or holiday), prices will be determined based on the last published information for such index.

In the event that the index price for Stanfield, Ore. and/or PG&E, Malin are not published on at least three business days within a span of six business days, either party may request negotiation of a replacement rate structure (a "Renegotiation Request"). Upon such Renegotiation Request, GTN and Coral will use diligent, good faith efforts to come to a mutually agreeable replacement rate structure. Firm Transportation Service Agreement No. 08612 will terminate on the seventh day following a Renegotiation Request in the event the parties do not agree on a replacement rate structure prior to such termination.

This Agreement shall become effective April 1, 2003, and shall continue in full force and effect through April 30, 2003 and month to month thereafter, with either party having the right to terminate the Agreement, upon no less than 7 days notice to the other, given prior to the first day of any subsequent month.

/11 Reserved

/12 Reserved

/13 Reserved

/14 Reserved

/15 Reserved

/16 Reserved

/17 Reserved

/18 Reserved



STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE ITS-1, PS-1, AND AIS-1

<u>SHIPPER</u>	<u>TERM OF CONTRACT</u>	<u>RATE SCHEDULE</u>	<u>DTH/D</u>	<u>PRIMARY RECEIPT POINT</u>	<u>PRIMARY DELIVERY POINT</u>	<u>RATE /2 /3</u>
----------------	-----------------------------	--------------------------	--------------	--------------------------------------	---------------------------------------	-----------------------

STATEMENT OF EFFECTIVE RATES AND CHARGES  
FOR TRANSPORTATION OF NATURAL GAS

NEGOTIATED RATE AGREEMENTS UNDER RATE SCHEDULE ITS-1, PS-1, AND AIS-1

Explanatory Footnotes for Negotiated Rates under Rate Schedule ITS-1, PS-1, and AIS-1

- /1 This contract does not deviate in any material aspect from the Form of Service Agreement in this Tariff.
- /2 Unless otherwise noted, all Shippers pay GTN's maximum Mileage and Non-Mileage Charge, ACA, and contribute fuel in-kind in accordance with this Tariff.
- /3 Index Price References: Unless otherwise noted, references to "Daily Index Price" shall mean the price survey midpoint for the specified point as published in Gas Daily for the day of gas flow. Weekend and holiday prices will be determined using the next available Gas Daily publication. Unless otherwise noted, the references to the "NGI FOM" for a specified point shall mean Natural Gas Intelligence's First of Month Bid Week Survey (Supplement to NGI's Weekly Gas Index) Spot Gas Price for the specified point.

NON-CONFORMING SERVICE AGREEMENTS  
PURSUANT TO § 154.112(b)

Name of Shipper	Contract Number	Rate Schedule	Effective Date	Termination Date
Cascade Natural Gas Corporation	152	FTS-1	11/1/1993	10/31/2023
Chevron USA Inc.	153	FTS-1	11/1/1993	10/31/2023
City of Burbank	154	FTS-1	11/1/1993	10/31/2023
IGI Resources, Inc.	158	FTS-1	11/1/1993	10/31/2013
Northern California Power Agency	163	FTS-1	11/1/1993	10/31/2023
Talisman Energy Inc	167	FTS-1	11/1/1993	10/31/2023
Paramount Resources US Inc.	168	FTS-1	11/1/1993	10/31/2023
Petro-Canada Hydrocarbons, Inc.	169	FTS-1	11/1/1993	10/31/2023
Sacramento Municipal Utility District	170	FTS-1	11/1/1993	10/31/2023
Avista Corporation	177	FTS-1	11/1/1993	10/31/2023
Avista Corporation	178	FTS-1	11/1/1993	10/31/2023
Cascade Natural Gas Corporation	179	FTS-1	11/1/1993	10/31/2023
Northwest Natural Gas Company	180	FTS-1	11/1/1993	10/31/2023
Puget Sound Energy, Inc.	181	FTS-1	11/1/1993	10/31/2023
Avista Corporation	182	FTS-1	11/1/1993	10/31/2023
Avista Corporation	2591	FTS-1	8/1/1995	10/31/2025
Avista Corporation	2857	FTS-1	11/1/1995	10/31/2025
Avista Corporation	2858	FTS-1	11/1/1995	10/31/2025
Iberdrola Renewables, Inc.	7828	FTS-1	6/3/2001	10/31/2025
Avista Corporation	8035	FTS-1	11/1/2001	10/31/2025
Pacific Gas and Electric Company	111	ITS-1	2/1/1992	10/31/2010
Northwest Natural Gas Company	112	ITS-1	4/1/1992	3/31/2011
Petro-Canada Hydrocarbons, Inc.	119	ITS-1	4/22/1992	4/22/2011
Morgan Stanley Capital Group Inc.	144	ITS-1	7/23/1993	9/30/2010
Shell Energy North America (US), L.P.	146	ITS-1	8/1/1993	8/1/2010
BP Canada Energy Marketing Corp.	4621	AIS-1	12/1/1996	12/31/2010
Sempra Energy Trading Corp.	4721	AIS-1	1/1/1997	12/31/2010
EnCana Marketing (USA) Inc.	4770	AIS-1	1/25/1997	12/31/2010
Nexen Marketing U.S.A., Inc.	6759	AIS-1	6/17/1999	12/31/2010
Shell Energy North America (US), L.P.	7047	AIS-1	4/10/2000	12/31/2010
Sierra Pacific Power Company	7068	AIS-1	4/27/2000	12/4/2019
City of Glendale	7804	AIS-1	5/30/2001	12/31/2021
Iberdrola Renewables, Inc.	7806	AIS-1	5/30/2001	12/31/2021
Petro-Canada Hydrocarbons, Inc.	7807	AIS-1	5/30/2001	12/31/2021
Chevron U.S.A. Inc.	7812	AIS-1	5/30/2001	12/31/2021
Salmon Resources Ltd.	7816	AIS-1	5/30/2001	12/31/2021
Constellation Energy Commodities Group, Inc.	8038	AIS-1	8/2/2001	8/31/2021
Enserco Energy Inc.	8176	AIS-1	11/27/2001	11/30/2021
ConocoPhillips Company	8228	AIS-1	1/8/2002	1/31/2022
UBS AG (London Branch)	8318	AIS-1	4/11/2002	4/30/2023

Concord Energy LLC	8421	AIS-1	7/22/2002	7/31/2012
Tenaska Marketing Ventures	8559	AIS-1	1/1/2003	12/31/2012
Cargill, Inc.	8594	AIS-1	3/19/2003	3/31/2013
Merrill Lynch Commodities, Inc.	8674	AIS-1	6/13/2003	6/13/2023
Apache Corporation	8670	AIS-1	7/1/2003	6/30/2013
Tenaska Marketing Ventures	8880	AIS-1	12/1/2003	11/30/2013
California Dept. of Water Resources	8887	AIS-1	12/1/2003	7/1/2011
United Energy Trading, LLC	9002	AIS-1	3/1/2004	2/28/2014
Select Natural Gas LLC	8978	AIS-1	3/3/2004	3/3/2014
National Fuel Marketing Company LLC	9035	AIS-1	4/27/2004	4/30/2014
Fortis Energy Marketing & Trading GP	9115	AIS-1	7/17/2004	6/30/2014
Powerex Corp.	9149	AIS-1	8/16/2004	7/31/2014
Louis Dreyfus Energy Services L.P.	9281	AIS-1	11/8/2004	10/31/2014
Pacific Summit Energy LLC	9285	AIS-1	11/15/2004	10/31/2010
Devlar Energy Marketing, LLC	9630	AIS-1	6/1/2005	5/31/2015
Suncor Energy Marketing Inc.	9774	AIS-1	10/1/2005	9/30/2015
CanNat Energy Inc.	10197	AIS-1	7/26/2006	7/25/2011
Eagle Energy Partners I, LP	10308	AIS-1	10/27/2006	10/31/2011
Sequent Energy Management LP	10336	AIS-1	11/1/2006	10/31/2010
Occidental Energy Marketing, Inc.	10359	AIS-1	12/22/2006	12/31/2010
NextEra Energy Power Marketing, LLC	10625	AIS-1	4/10/2008	4/30/2018
Natural Gas Exchange, Inc.	10639	AIS-1	4/29/2008	4/30/2018
Citigroup Energy Inc.	10646	AIS-1	5/30/2008	5/31/2018
IGI Resources, Inc.	4576	PS-1	12/1/1996	12/31/2010
Macquarie Cook Energy, LLC	4619	PS-1	12/1/1996	12/31/2010
Sempra Energy Trading Corp.	4720	PS-1	1/1/1997	12/31/2010
EnCana Marketing (USA) Inc.	4868	PS-1	3/1/1997	12/31/2010
Shell Energy North America (US), L.P.	4908	PS-1	3/5/1997	12/31/2010
Husky Gas Marketing Inc.	5348	PS-1	7/3/1997	12/31/2010
Enserco Energy Inc.	5677	PS-1	10/6/1997	12/31/2010
National Fuel Marketing Company LLC	5679	PS-1	10/7/1997	12/31/2010
United States Gypsum Company	5837	PS-1	11/3/1997	5/17/2010
Northwest Natural Gas Company	5992	PS-1	2/13/1998	12/31/2023
Chevron U.S.A. Inc.	6226	PS-1	5/14/1998	12/31/2010
San Diego Gas & Electric Company	6378	PS-1	8/25/1998	12/31/2010
Southern California Gas Company	6613	PS-1	12/14/1998	12/31/2010
Puget Sound Energy, Inc.	7061	PS-1	4/20/2000	4/20/2020
Hermiston Generating Company, L.P.	7798	PS-1	5/30/2001	12/31/2021
City of Glendale	7803	PS-1	5/30/2001	12/31/2021
Iberdrola Renewables, Inc.	7805	PS-1	5/30/2001	12/31/2021
Questar Energy Trading Company	7819	PS-1	5/30/2001	12/31/2021
El Paso Energy Marketing Company	7820	PS-1	5/30/2001	12/31/2021
Sempra Energy Trading Corp.	7833	PS-1	6/14/2001	6/8/2020
Constellation Energy Commodities Group, Inc.	8037	PS-1	8/2/2001	8/31/2021
ConocoPhillips Company	8229	PS-1	1/8/2002	1/31/2022
Tractebel Energy Marketing, Inc.	8283	PS-1	3/14/2002	3/31/2022
UBS AG (London Branch)	8316	PS-1	4/11/2002	4/30/2023

RWE Trading Americas Inc.	8324	PS-1	4/16/2002	4/30/2022
Fortis Energy Marketing & Trading GP	8340	PS-1	5/2/2002	5/31/2022
Concord Energy LLC	8406	PS-1	7/22/2002	7/31/2012
Select Natural Gas LLC	8534	PS-1	11/15/2002	10/31/2012
Tenaska Marketing Ventures	8539	PS-1	12/1/2002	11/30/2012
Cargill, Inc.	8595	PS-1	3/19/2003	3/31/2013
United Energy Trading, LLC	8652	PS-1	5/23/2003	5/31/2013
Apache Corporation	8668	PS-1	7/1/2003	6/30/2013
Occidental Energy Marketing, Inc.	8784	PS-1	9/10/2003	8/31/2013
Tenaska Marketing Ventures	8873	PS-1	12/1/2003	11/30/2013
California Dept. of Water Resources	8886	PS-1	12/1/2003	7/1/2011
Devon Canada Marketing Corporation	8923	PS-1	2/1/2004	1/31/2014
Merrill Lynch Commodities, Inc.	9018	PS-1	4/7/2004	4/7/2014
Pacific Summit Energy LLC	9173	PS-1	8/30/2004	8/30/2010
Louis Dreyfus Energy Canada LP	9263	PS-1	10/29/2004	10/31/2010
Louis Dreyfus Energy Services L.P.	9273	PS-1	11/4/2004	10/31/2014
Devlar Energy Marketing, LLC	9584	PS-1	5/2/2005	4/30/2015
Suncor Energy Marketing Inc.	9772	PS-1	10/1/2005	9/30/2015
J.P. Morgan Ventures Energy Corporation	9948	PS-1	2/1/2006	1/31/2016
CanNat Energy Inc.	10195	PS-1	7/26/2006	7/25/2011
Eagle Energy Partners I, LP	10310	PS-1	10/27/2006	10/31/2011
Sequent Energy Management LP	10332	PS-1	11/1/2006	10/31/2011
El Paso Ruby Holding Company, LLC	12071	FTS-1	11/1/2012	3/31/2018

RATE SCHEDULES

Firm Transportation Service (FTS-1)

Limited Firm Transportation Service (LFS-1)

Interruptible Transportation Service (ITS-1)

Unbundled Sales Service (USS-1)

Parking Service (PS-1)

Authorized Imbalance Service (AIS-1)

RATE SCHEDULE FTS-1  
FIRM TRANSPORTATION SERVICE

#### 5.1.1 AVAILABILITY

This rate schedule is available to any party (hereinafter called "Shipper") qualifying for service pursuant to the Commission's Regulations contained in 18 CFR Part 284, and who has executed a Firm Transportation Service Agreement with GTN in the form contained in this FERC Gas Tariff, Fourth Revised Volume No. 1-A.



## 5.1.2 APPLICABILITY AND CHARACTER OF SERVICE

This rate schedule shall apply to firm gas transportation services performed by GTN for Shipper pursuant to the executed Firm Transportation Service Agreement between GTN and Shipper. GTN shall receive from Shipper such daily quantities of gas up to the Shipper's Maximum Daily Quantity as specified in the executed Firm Transportation Service Agreement between GTN and Shipper plus the required quantity of gas for fuel and line loss associated with service under this Rate Schedule FTS-1 and redeliver an amount equal to the quantity received less the required quantity of gas for fuel and line loss. This transportation service shall be firm and not subject to curtailment or interruption except as provided in the Transportation General Terms and Conditions. A Shipper's Maximum Daily Quantity shall be a uniform quantity throughout the contract term, except that GTN may, on a not unduly discriminatory basis, agree to differing monthly levels in the Shipper's Maximum Daily Quantity during the term of Shipper's contract. Shipper's Maximum Daily Quantity and any differing levels in the Maximum Daily Quantity, as well as the period of such differing Maximum Daily Quantity levels, shall be specified in the executed Firm Transportation Service Agreement.

Firm transportation service shall be subject to all provisions of the executed Firm Transportation Service Agreement between GTN and Shipper and the applicable Transportation General Terms and Conditions.

### 5.1.3 RATES

Shipper shall pay GTN each month the sum of the Reservation Charges, the Delivery Charge, plus any applicable Extension Charge, Overrun Charge and applicable surcharges for the quantities of natural gas delivered. The rate(s) set forth in GTN's current Effective Rates and Charges for Transportation of Natural Gas in this FERC Gas Tariff, Fourth Revised Volume No. 1-A are applied to transportation service rendered under this rate schedule.

5.1.3.1 Reservation Charge.

The Reservation Charge shall be the sum of the Mileage and the Non-Mileage Component:

(a) Mileage Component.

The Mileage Component shall be the product of the currently effective Mileage Rate as set forth in Section 4.1, the distance, in pipeline miles, from the Primary Point(s) of receipt to the Primary Point(s) of Delivery on Mainline Facilities as set forth in Shipper's Contract, and the Shipper's Maximum Daily Quantity at such Point(s).

(b) Non-Mileage Component.

The Non-Mileage Component shall be the product of the currently effective Non-Mileage Rate as set forth in Section 4.1 and the Shipper's Maximum Daily Quantity at Primary Point(s) of Delivery on Mainline Facilities.

(c) Shipper's obligation to pay the Reservation Charge is independent of Shipper's ability to obtain export authorization from the National Energy Board of Canada, Canadian provincial removal authority, and/or import authorization from the United States Department of Energy, and shall begin with the execution of the Firm Transportation Service Agreement by both parties. The Reservation Charge due and payable shall be computed beginning in the month in which service is first available (prorated if beginning in the month in which service is available on a date other than the first day of the month). Thereafter, the daily Reservation Charge shall be due and payable each month during the Initial (and Subsequent) Term(s) of the Shipper's executed Firm Transportation Service Agreement and is unaffected by the quantity of gas transported by GTN to Shipper's delivery point(s) in any month except as provided for in Sections 5.1.3.9 and 5.1.3.10 of this rate schedule.

5.1.3.2 Delivery Charge.

The Delivery Charge shall be the product of the Delivery Rate as set forth in Section 4.1, the quantities of gas delivered in the month (in Dth) (excluding Authorized Overrun) at point(s) of delivery on Mainline Facilities, and the distance, in pipeline miles, from the point(s) of receipt to point(s) of delivery on Mainline Facilities.

5.1.3.3 Extension Charge.

If Shipper designates a Primary Point of delivery on an Extension Facility, then in addition to all other charges that are applicable, Shipper shall pay the Extension Charge, which shall consist of a reservation and delivery component.

- (a) The reservation component of the Extension Charge shall be the product of Shipper's Maximum Daily Quantity at the Primary Point(s) of delivery on the Extension Facility, the applicable Extension reservation rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the Primary Point(s) of delivery.
- (b) The delivery component of the Extension Surcharge shall be the product of the quantities delivered at the point(s) of delivery on the Extension Facility, the applicable Extension delivery rate as set forth in Section 4.1, and the distance, in pipeline miles, from the Receipt Point(s) on the Extension Facility to the point(s) of delivery.

5.1.3.4 Authorized Overrun Charge.

Quantities in excess of Shipper's MDQ shall be transported when capacity is available on the GTN system and when the provision of such Authorized Overruns shall not affect any Shipper's rights on the GTN System. Authorized Overruns are interruptible in nature. The rate charged shall be the same as the rates and charges for interruptible transportation under Rate Schedule ITS-1 as set forth in Section 4.1, and such Authorized Overruns shall be subject to the priority of service provisions of Section 6.19 of the Transportation General Terms and Conditions.

5.1.3.5 Applicability of Surcharges.

Shipper shall pay all reservation and usage surcharges applicable to the service provided to such Shipper as set forth in GTN's FERC Gas Tariff, Fourth Revised Volume No. 1-A. Such surcharges shall be deemed to be part of Shipper's Reservation and Delivery Charges.

5.1.3.6 Discounts.

Shipper shall pay the Maximum Reservation Charge, and the Maximum Delivery Charge for service under this Rate Schedule unless GTN offers to discount the Mileage Rate components or the Non-Mileage Rate components of the Reservation Rate or the Delivery Rate under this rate schedule. If GTN elects to discount any such rate, GTN shall provide notice to Shipper of the effective date of such discount and the quantity of gas so affected; provided, however, such discount shall not be unduly discriminatory between individual shippers. The rates for service under this rate schedule shall not be discounted below the Minimum Reservation Charge, the Minimum Delivery Rate, and applicable ACA Surcharge.



5.1.3.7 Backhauls.

Backhauls (as defined in Section 6.1 paragraph 31 of the Transportation General Terms and Conditions) shall be subject to the same charges as forward haul (as defined in Section 6.1 paragraph 30 of the Transportation General Terms and Conditions) except that no gas shall be retained by GTN for compressor station fuel, line loss and other unaccounted-for gas. Backhauls are subject to the operating conditions of GTN's pipeline and will not be made available to Shipper if GTN determines, in its sole discretion, that such transportation is operationally infeasible or otherwise not available.

5.1.3.8 Capacity Release.

(a) Releasing Shippers:

Shipper shall have the option to release capacity pursuant to the provisions of GTN's capacity release program as specified in the Transportation General Terms and Conditions. Shipper may release its capacity, up to Shipper's Maximum Daily Quantity under this rate schedule, in accordance with the provisions of Section 6.28 of GTN's Transportation General Terms and Conditions of this FERC Gas Tariff, Fourth Revised Volume No. 1-A. Shipper shall pay a fee associated with the marketing of capacity by GTN (if applicable) in accordance with Section 6.28 of the Transportation General Terms and Conditions. This fee shall be negotiated between GTN and the Releasing Shipper.

(b) Replacement Shippers:

Shipper may receive released capacity service under this rate schedule pursuant to Section 6.28 of the Transportation General Terms and Conditions and is required to execute a service agreement in the form contained for capacity release under Rate Schedule FTS-1 in this Fourth Revised Volume No. 1-A.

Shipper shall pay GTN each month for transportation service under this rate schedule and as set forth in GTN's current Statement of Effective Rates and Charges in this Fourth Revised Volume No. 1-A. Charges to be paid shall be the sum of the Reservation Charge, Delivery Charge, and other applicable surcharges or penalties.

The rates paid by Shipper receiving capacity release transportation service shall be adjusted as provided on Exhibit R in the executed Transportation Service Agreement For Capacity Release between GTN and Shipper.

5.1.3.9 Reservation Charge Credit - Force Majeure Event.

As used in this Section 5.1.3.9, Firm Daily Volume shall mean the volume of gas which GTN is obligated to deliver on a firm basis at Shipper's primary firm delivery point(s) on a Gas Day, based on confirmable nominations for firm service within Shipper's Maximum Daily Quantity. If, due to an event of Force Majeure as defined in Section 6.10 of the General Terms and Conditions of this FERC Gas Tariff, GTN is unable to deliver any portion of Shipper's Firm Daily Volume for a period greater than ten (10) consecutive days, then for each day beyond ten (10) days that GTN so fails to provide service the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by GTN within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

5.1.3.10 Reservation Charge Credit - Non-Force Majeure Event.

As used in this Section 5.1.3.10, Firm Daily Volume shall mean the volume of gas which GTN is obligated to deliver on a firm basis at Shipper's firm delivery point(s) on a Gas Day, based on confirmable nominations for primary firm service within Shipper's Maximum Daily Quantity. Except as provided for in Section 5.1.3.9 above, in the event GTN fails to deliver any portion of Shipper's Firm Daily Volume on any Gas Day under any firm contract, then the applicable reservation charges including applicable reservation-based surcharges shall not apply to the quantity of gas not delivered by GTN within the Shipper's Firm Daily Volume; provided, however, that these charges shall not be eliminated to the extent that the Shipper utilizes secondary point service.

5.1.3.11 Reservation Charge Credit – Confirmable Nominations.

Any exemption from crediting for nominated amounts not confirmed, as provided in Sections 5.1.3.9 and 5.1.3.10 hereof, is limited to events caused solely by the conduct of others, such as Shipper or upstream or downstream facility operators not controlled by GTN.

5.1.3.12 Negotiated Rates.

Notwithstanding any provision of GTN's Tariff to the contrary, GTN and Shipper may mutually agree in writing to a Negotiated Rate (including a Negotiated Rate Formula) with respect to the rates, rate components, charges, or credits that are otherwise prescribed, required, established, or imposed by this Rate Schedule or by any other applicable provision of GTN's Tariff.

#### 5.1.4 FUEL AND LINE LOSS

For all Forward Hauls, Shipper shall furnish to GTN quantities of gas for compressor station fuel, line loss and other utility purposes, plus other unaccounted for gas used in the operation of GTN's combined pipeline system between the International Boundary near Kingsgate, British Columbia and the Oregon-California boundary for the transportation quantities of gas delivered by GTN to Shipper, based upon the effective fuel and line loss percentages in accordance with Section 6.38 of the General Terms and Conditions. No fuel charge shall apply to transactions that do not involve a forward haul movement of gas.

#### 5.1.5 TRANSPORTATION GENERAL TERMS AND CONDITIONS

All of the Transportation General Terms and Conditions are applicable to this rate schedule, unless otherwise stated in the executed Firm Transportation Service Agreement between GTN and Shipper. Any future modifications, additions or deletions to said Transportation General Terms and Conditions, unless otherwise provided, are applicable to firm transportation service rendered under this rate schedule, and by this reference, are made a part hereof.



**RATE SCHEDULE FT**  
**FIRM TRANSPORTATION SERVICE****1. AVAILABILITY**

This Rate Schedule FT, Firm Transportation Service is available to any Shipper which has:

- (a) Satisfied all applicable requirements as set forth in the Capacity Allocation Procedures and subsection 5.8 of the General Terms and Conditions of this Gas Transportation Tariff; and
- (b) Executed a Service Agreement, Firm Transportation Service with Company, for a minimum term of one (1) year ending on the last day of a Month.

For Zones 8 and 9 only, Backhaul service is also available under Rate Schedule FT, Firm Transportation Service.

**2. APPLICABILITY**

This Rate Schedule FT, Firm Transportation Service shall apply to all transportation services under Shipper's Service Agreement, Firm Transportation Service other than service specifically provided for in another rate schedule, as of the Billing Commencement Date, whether or not gas is actually transported.

**3. SERVICE DESCRIPTION**

Service rendered by Company for Shipper under this Rate Schedule FT, Firm Transportation Service consists of:

- (a) The receipt of gas from Shipper (or for Shipper's account) at each Receipt Point as specified in the Service Agreement, Firm Transportation Service;

- (b) The transportation of gas by Company through the transportation system, described in section 6 hereof; and
- (c) The delivery by Company to Shipper of gas nominated by Shipper (or for Shipper's account) at each Delivery Point specified in the Service Agreement, Firm Transportation Service.

#### **4. SERVICE AGREEMENT**

This Rate Schedule FT, Firm Transportation Service is subject to all terms, conditions, stipulations and provisions of the Service Agreement, Firm Transportation Service.

#### **5. GENERAL TERMS AND CONDITIONS**

This Rate Schedule FT, Firm Transportation Service is subject to all terms, conditions, stipulations and provisions of the General Terms and Conditions of this Gas Transportation Tariff.

#### **6. SUBSIDIARY COMPANIES AND ZONES**

##### **6.1 General**

Company's transportation system consists of operating segments with each segment operated by a Subsidiary Company. Company and Subsidiary Companies have entered into transportation agreements for provision of transportation services by Subsidiary Companies for Company. Copies of the applicable transportation agreements are attached hereto as Supplements I through III. Each Subsidiary Company shall divide its segment into one or more Zones as defined in Schedule I, Annex II of the Northern Pipeline Act and described in subsection 6.2 hereof. Shipper, through its Service

Agreement, Firm Transportation Service with Company, shall contract to have its gas transported through one or more of these Zones.

## **6.2 Description**

The Subsidiary Companies listed below own and operate the portions of the Phase I gas transportation system set opposite the name of each such Subsidiary Company.

<u>Subsidiary Company</u>	<u>Zone No.</u>	<u>Description</u>	<u>Length (km)</u>
Foothills Pipe Lines (Alta.) Ltd.	6	From Caroline, Alberta to the Alberta/ Saskatchewan border near Empress, Alberta.	378.49
	7	From Caroline, Alberta to the Alberta/B.C. border near Coleman, Alberta.	124.03
Foothills Pipe Lines (South B.C.) Ltd.	8	From the Alberta/B.C. border near Coleman, Alberta to the B.C./U.S. border near Kingsgate, B.C.	170.7
Foothills Pipe Lines (Sask.) Ltd.	9	From the Alberta/ Saskatchewan border near Empress, Alberta to the Saskatchewan/U.S. border near Monchy, Saskatchewan.	258.97

## **7. CHARACTER OF SERVICE**

### **7.1 Firm Transportation Service**

Gas transported by Company for Shipper under this Rate Schedule FT, Firm Transportation Service shall not be subject to curtailment or interruption except as provided in subsection 7.2.4 herein and in the General Terms and Conditions of this Gas Transportation Tariff.

**7.2 Receipt and Delivery Obligations**

**7.2.1** At each Delivery Point, Company and Shipper shall establish the Maximum Daily Delivery Quantity ("MDDQ") and shall specify the portion of such MDDQ to be received at each Receipt Point. The aforementioned MDDQ and portions thereof shall be specified in Appendix A to the Service Agreement, Firm Transportation Service.

**7.2.2** At each Delivery Point, identified in Appendix A to the Service Agreement, Firm Transportation Service, Company is obligated to deliver to Shipper a daily quantity of gas which has an aggregate energy content of all gas received from Shipper at each Receipt Point destined for such Delivery Point, less Shipper's share for each Zone of the energy content of Company Use Gas used in the transportation of such gas on such day.

Shipper's share shall be calculated pursuant to section 8 of the General Terms and Conditions of this Gas Transportation Tariff.

**7.2.3** Notwithstanding subsection 7.2.2 herein, Shipper shall not be allocated a share of Company Use Gas in respect of Backhaul service.

**7.2.4** Company will provide Backhaul service under this Rate Schedule FT, Firm Transportation Service to Shipper on Zones 8 and 9 only in circumstances where such service is requested by Shipper and, in Company's judgement, there is sufficient quantity of gas being received into Company's system to enable such service to be provided.

**7.3 Daily Gas Nominations**

**7.3.1** Shipper shall advise Company, in writing, of the total daily quantity of gas nominated by it for each Delivery Point. Such total daily quantity of gas shall not, subject to Article 1.2 of Shipper's Service Agreement, Firm Transportation Service, exceed the MDDQ for each such Delivery Point.

**7.3.2** Out of such total daily quantity of gas nominated for each Delivery Point, Shipper shall advise Company of the daily quantity of gas nominated by it for transportation from each Receipt Point.

**7.3.3** Shipper may provide its nomination through written confirmations received by Company from a downstream carrier. Company shall rely on such confirmations received from downstream carrier to determine Shipper's nomination quantities at Delivery Points. For certainty, this would include Shipper's written confirmation received by Company from Northern Border or Gas Transmission Northwest.

## **8. CHARGE FOR SERVICE**

The rate used in calculating Shipper's monthly bill for Service under Rate Schedule FT, Firm Transportation Service in the Zone is the FT Rate.

### **8.1 Shipper's Obligation to Pay**

Shipper shall be obligated to pay to Company in respect of each Billing Month, a charge for services rendered hereunder being the aggregate of Shipper's monthly demand charges determined in accordance with subsection 8.2.1 hereof and Shipper's Surcharge determined in accordance with subsection 8.2.2 hereof. Shipper's obligation to pay is not subject to any adjustment or abatement under any circumstances except as specifically provided for in section 9 hereof, and such obligation shall be billed by Company to Shipper in accordance with section 5 of the General Terms and Conditions of this Gas Transportation Tariff.

### **8.2 Monthly Charges**

#### **8.2.1 Monthly Demand Charge**

Shipper's monthly demand charge for a Billing Month shall be the product of:

- (a) Shipper's MDDQ as indicated on Schedule A to Shipper's Service Agreement, Firm Transportation Service for such billing month;
- (b) Shipper's Haul Distance for the Zone; and
- (c) the FT Rate for the Zone.

### **8.2.2 Monthly Surcharge**

Shipper's surcharge amount, if any, shall be an amount to recognize the recovery of costs associated with special facilities installed by Company for Shipper agreed to between Company and Shipper expressed in dollars per month. Such amount shall be set out on Schedule A to Shipper's Service Agreement, Firm Transportation Service.

### **8.3 Allocation of Gas Delivered**

Notwithstanding any other provision of this Rate Schedule FT, Firm Transportation Service, and any Service Agreement or the General Terms and Conditions of this Gas Transportation Tariff, and without regard to how gas may have been nominated, the aggregate quantity of gas delivered to a Shipper at the Delivery Point during any Billing Month shall be allocated for billing purposes as follows:

- (a) first to service to Shipper under Rate Schedule STFT, Short Term Firm Transportation Service to a maximum of the aggregate MDDQ for such Delivery Point under such Rate Schedule STFT, Short Term Firm Transportation Service;
- (b) second to service to Shipper under Rate Schedule FT, Firm Transportation Service to a maximum of the aggregate MDDQ for such Delivery Point under Rate Schedule FT, Firm Transportation Service; and
- (c) third, for Zone 8 and Zone 9 to service to Shipper under Rate Schedule IT, Interruptible Service and for Zone 6 and Zone 7 to Shipper under Rate Schedule OT, Overrun Transportation Service.

**8.4 Charge for Over-Run Gas in Zone 8 and Zone 9**

In the event that Company determines, in respect of a Billing Month, that Shipper has tendered for transportation, and Company has transported for Shipper, a quantity of gas in excess of the MDDQ as indicated on Appendix A of Shipper's Service Agreement, Firm Transportation Service, Shipper shall pay Company an amount equal to the product of a quantity of gas equal to such excess and the IT Rate for Service under Rate Schedule IT, Interruptible Transportation Service.

**8.5 Accounting**

Company shall maintain books of account in accordance with the requirements of the National Energy Board and, to the extent not inconsistent with such requirements, in accordance with generally accepted accounting principles in Canada.

**9. FAILURE TO DELIVER GAS****9.1 General**

If Company shall, in any billing month, fail for any reason to make delivery to any Shipper of the whole or any portion of the quantity of gas nominated by such Shipper from Company in accordance with such Shipper's Service Agreement, Firm Transportation Service, such Shipper's obligation to pay Company pursuant to section 8 of Rate Schedule FT, Firm Transportation Service shall be subject only to the adjustments expressly provided in this section 9.

**9.2 Make-Up Gas**

In the event that Company fails on any day to deliver to Shipper at the Delivery Point the quantity of gas Shipper has in good faith nominated up to Shipper's MDDQ (unless such failure is due to planned repairs, maintenance, replacement or other upgrading, or other work related to Company's transportation system for which Company gave Shippers notice under subsection 8.8 of the General Terms and Conditions) Shipper shall be

entitled, subject to subsection 6.5 of the General Terms and Conditions and within two years of such failure, to have Company transport such quantities of gas in excess of Shipper's MDDQ sufficient to make-up such deficiency ("Make-Up Gas") at no additional demand charge. Demand charges credited to Shipper under subsection 9.4.1 shall be recovered by Company respecting Make-Up Gas.

### **9.3 Allocation of Service**

If Company is on any day required to allocate service pursuant to Article 1.2 of the Service Agreement, Firm Transportation Service of two or more Shippers, Company shall give priority in such allocation to quantities of gas desired to be tendered in respect to Make-Up Gas over Interruptible Transportation Service. .

### **9.4 Billing Adjustment**

#### **9.4.1 Demand Charge Credit**

- (a) Subject to subsection 9.4.1(b), if in any month Company is unable to deliver up to 98 percent of the quantity of gas that Shipper has in good faith nominated up to the MDDQ times the number of days in such month, then in respect of such month, a credit shall be applied to the monthly bill rendered by Company determined according to the following formula:

$$\text{Credit} = \text{FT Rate} \times \frac{\text{Shipper's Haul Distance}}{\text{Shipper's MDDQ} - \text{Average Day Delivery Quantity*}}$$

\*Average Day Delivery Quantity = Deliveries to Shipper in any Month in which a Demand Charge Credit is applicable, divided by the number of days in that particular Month.

- (b) No credit to the Monthly bill shall be made if Company delivers less than 98 percent of the quantity of gas nominated as a result of planned repairs, maintenance, replacement or other upgrading, or other work related to Company's transportation system for which Company gave firm Shippers



notice under subsection 8.8 of the General Terms and Conditions on Company's Facilities or as a result of Shipper being unable to deliver gas at the Receipt Point or accept gas at the Delivery Point.

#### **9.5 Exception**

Subsections 9.2 through 9.4 hereof shall not apply to any failure of Company to make delivery to Shipper of any gas nominated by Shipper pursuant to Shipper's Service Agreement, Firm Transportation Service if such failure is caused or contributed to by the failure of Shipper to, or to be able to, deliver to or take delivery from Company of such gas, or by any other action of Shipper or Persons acting on its behalf which causes or contributes to such a failure by Company.

### **10. RENEWAL RIGHTS IN ZONES 6, 7 AND 9**

#### **10.1 Availability**

Shippers to whom renewal rights are available, shall have the option ("Renewal Option") of extending the existing term of the Service Agreement, Firm Transportation Service with respect to all or, if Company agrees, a portion of Shipper's firm capacity rights beyond the primary term specified in the Service Agreement, Firm Transportation Service provided that:

- (a) Shipper has at any time in the past executed a Service Agreement, Firm Transportation Service containing a term of at least five consecutive years; such Service Agreement, Firm Transportation Service or any extensions or amendments thereto or any amended Service Agreement, Firm Transportation Service executed in replacement or in substitution therefore, has not terminated prior to the exercise of the renewal rights granted herein;
- (b) Shipper is not in default with respect to any of its obligations under its Service Agreement(s), Firm Transportation Service;

- (c) If requested by Company, Shipper has provided Financial Assurances in accordance with subsection 5.8.1 of the General Terms and Conditions of this Gas Transportation Tariff; and
- (d) Shipper provides Company, at the time the notice referred to in subsection 10.2.1 or 10.2.3 hereof is provided to Company, evidence satisfactory to Company that Shipper has obtained or will be able to obtain appropriate upstream and downstream firm transportation arrangements.

## **10.2 Procedures**

- 10.2.1** Company may give Shipper notice (“Renewal Notice”) not more than 5 years and not less than six (6) months prior to termination of Shipper’s Service Agreement, Firm Transportation Service that Shipper must exercise the Renewal Option. Shipper has the right to renew the Service Agreement, Firm Transportation Service prior to this Renewal Notice being given upon written notice to Company. As long as at least five (5) years remain in the term of the Shipper’s Service Agreement, Firm Transportation Service then such Renewal Notice cannot be given by Company. Shipper has the right to extend its Service Agreement, Firm Transportation Service one year at a time to maintain a term of at least five (5) years and thereby remain outside the period in which a Renewal Notice can be given.
- 10.2.2** Once a Renewal Notice is given to Shipper, Shipper shall have ten (10) business days from the date of the Renewal Notice to provide Company with a written notice from Shipper of Shipper’s election to extend the term of the Service Agreement, Firm Transportation Service for a period of at least five (5) years.
- 10.2.3** If Shipper fails to provide a written request or indicates to Company that it does not wish to renew its capacity in accordance with section 10.2.2, the Company may make the capacity available to other parties in an Open Season in accordance with subsection 4.1 of the Capacity Allocation procedures of this Gas Transportation Tariff.

**10.2.4** Upon receipt of all bids for the capacity pursuant to the Open Season in accordance with subsection 4.1 of the Capacity Allocation procedures of this Gas Transportation Tariff, the Company shall select the highest net present value bid(s) and notify Shipper of the terms of the successful bid(s) within 15 business days of the close of the Open Season. Shipper may retain this capacity if Shipper agrees to match the highest net present value bid(s) obtained in the Open Season. In the event that such bid(s) is longer than five (5) years, Shipper may retain the capacity by extending its Service Agreement by a minimum of five (5) years provided that such notice is made in writing to Company within 10 business days following the date of the bid notification from Company. If no bids are received, Company may accept other terms of renewal if requested in writing from Shipper, notwithstanding that if the remaining term is less than five (5) years, notice may be given pursuant to subsection 10.2.

**10.2.5** Following receipt of Shipper's written request in accordance with either subsections 10.2.1, 10.2.2 or 10.2.4, Company will, within 5 business days, provide Shipper with an amendment to the Service Agreement, Firm Transportation Service setting out the renewal term. Shipper shall execute and return the amendment to the Service Agreement, Firm Transportation Service to Company within fifteen (15) business days of receipt from Company, failing which Shipper's Renewal Option terminates.

**10.3** Shipper shall have Renewal Rights to be exercised in the same manner and upon the same terms and conditions as set forth above during any renewal term.

## **11. RENEWAL RIGHTS IN ZONE 8**

### **11.1 Availability**

Shippers in Zone 8 shall be entitled to renew all or, if Company agrees, a portion of service under a Service Agreement, Firm Transportation Service if Shipper gives notice to Company of such renewal at least one (1) year prior to termination of Shipper's Service Agreement, Firm Transportation Service. If Shipper does not provide such

**RATE SCHEDULE FT-R**  
**FIRM TRANSPORTATION - RECEIPT**

**1.0 DEFINITIONS**

- 1.1** The capitalized terms used in this Rate Schedule have the meanings attributed to them in the General Terms and Conditions of the Tariff unless otherwise defined in this Rate Schedule.

**2.0 SERVICE DESCRIPTION AND AVAILABILITY**

- 2.1** Subject to the stated terms and conditions, service under Rate Schedule FT-R shall mean the receipt of gas from Customer at Customer's Receipt Points (the "Service") which includes transportation of gas that Company determines necessary to provide services under the Tariff.

Provided however, on any day, Service at the Empress or McNeill Receipt Points shall not exceed the greater of:

- (i) 100 GJs; or
- (ii) the total volume of gas delivered to Customer at such point under Rate Schedules FT-D, FT-DW, IT-D, STFT, LRS and LRS-3 on such day.

- 2.2** The Service is available to any Customer that has executed a Service Agreement and Schedule of Service under Rate Schedule FT-R. A standard form Service Agreement for Service under this Rate Schedule FT-R is attached.

**3.0 PRICING**

**3.1** Subject to paragraph 3.2, the rate used in calculating Customer's monthly demand charge under each of Customer's Schedules of Service for Service under Rate Schedule FT-R is the FT-R Demand Rate.

**3.2** If the Primary Term plus the Secondary Term of any of Customer's Schedules of Service for any new Service or any renewed Service under Rate Schedule FT-R is:

- (i) five (5) years or greater the Price Point shall be 95% (Price Point "A");
- (ii) at least three (3) years but less than five (5) years the Price Point shall be 100% (Price Point "B"); and
- (iii) at least one (1) year but less than three (3) years the Price Point shall be 105% (Price Point "C").

**4.0 CHARGE FOR SERVICE****4.1 Aggregate of Customer's Monthly Demand Charges**

The aggregate of Customer's monthly demand charges for a Billing Month for Service under Rate Schedule FT-R shall be equal to the sum of the monthly demand charges for each of Customer's Schedules of Service under Rate Schedule FT-R, determined as follows:

$$\text{MDC} = \sum (F \times P) \left( A \times \frac{B}{C} \right)$$

Where:

- “MDC” = the aggregate of the demand charges applicable to such Schedule of Service for such Billing Month;
- “F” = the FT-R Demand Rate applicable to such Schedule of Service;
- “P” = the applicable Price Point for such Schedule of Service;
- “A” = each Receipt Contract Demand in effect for all or a portion of such Billing Month for such Schedule of Service;
- “B” = the number of days in such Billing Month that Customer was entitled to such Receipt Contract Demand under such Schedule of Service; and
- “C” = the number of days in such Billing Month.

#### 4.2 Aggregate of Customer’s Surcharges

The aggregate of Customer’s Surcharges for a Billing Month shall be equal to the sum of all Surcharges set forth in the Table of Rates, Tolls and Charges applicable to each of Customer’s Schedules of Service under Rate Schedule FT-R.

#### 4.3 Aggregate of Customer’s Over-Run Gas Charges

The aggregate of Customer’s charges for Over-Run Gas in a Billing Month for Service under all Rate Schedules shall be equal to the sum of the monthly charges for Over-Run Gas for each Receipt Point at which Customer is entitled to Service under any Rate Schedule, determined as follows:

$$\text{MOC} = V \times Z$$

Where:

“MOC” = the monthly charge for Over-Run Gas at such Receipt Point;

“V” = total volume of gas allocated to Customer by Company as Over-run Gas in accordance with paragraph 4.6 for Service under all Rate Schedules at such Receipt Point for such Billing Month; and

“Z” = the IT-R Rate at such Receipt Point.

**4.4** The calculation of Customer's charge for Over-Run Gas in paragraph 4.3 shall not take into account Customer's Inventory on the last day of the Billing Month.

**4.5 Aggregate Charge For Service**

Customer shall pay for each Billing Month:

- (i) the sum of the amounts calculated in accordance with paragraphs 4.1, 4.2, and 4.3; less
- (ii) the amount, if any, calculated in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

**4.6 Allocation of Gas Received**

Notwithstanding any other provision of this Rate Schedule, any Service Agreement or the General Terms and Conditions of the Tariff, and without regard to how gas may have been nominated, the aggregate volume of gas received from Customer at a Receipt Point shall be allocated for billing purposes as follows:

- (i) first to service to Customer under Rate Schedules LRS and LRS-3 to a maximum of such Customer's LRS Contract Demand for such Receipt Point under such Rate Schedule LRS and to a maximum of such Customer's LRS-3 Contract Demand for such Receipt Point under such Rate Schedule LRS-3;
- (ii) secondly to Service to Customer under Rate Schedule FT-R to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-R;
- (iii) thirdly to service to Customer under Rate Schedule FT-RN to a maximum of such Customer's Receipt Contract Demand for such Receipt Point under Rate Schedule FT-RN; and
- (iv) fourthly to service to Customer under Rate Schedule IT-R at such Receipt Point. If Customer is not entitled to service under Rate Schedule IT-R at such Receipt Point, gas shall be allocated as Over-Run Gas and charged in accordance with paragraph 4.3.

## **5.0 TERM OF SERVICE**

### **5.1 Term of a Schedule of Service**

If, in the provision of new Service, Company determines that:

- (i) no new Facilities are required to be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be a Secondary Term equal to the term requested by Customer with the minimum term being three (3) years; or



(ii) new Facilities are required to be installed or constructed at any Receipt Point to provide the Service requested, the term of the Schedule of Service shall be equal to the sum of:

(a) the Primary Term; and

(b) a Secondary Term equal to the Secondary Term requested by Customer with the minimum Secondary Term being three (3) years.

**5.2** The Price Point for the term shall be determined in the manner described in paragraph 3.2.

**5.3** If the number of years calculated for the Primary Term exceeds fifteen (15) years the Primary Term shall be fixed at fifteen (15) years and a Surcharge, determined under the Criteria for Determining Primary Term in Appendix "E" of the Tariff, shall be applied in respect of such Service.

**5.4 Term of Service Agreement**

Customer's Service Agreement shall terminate on the latest Service Termination Date of Customer's Schedules of Service for Service under Rate Schedule FT-R.

**6.0 CAPACITY RELEASE**

**6.1** If Customer desires a reduction of Customer's Receipt Contract Demand for all or any portion of its Service under a Schedule of Service under Rate Schedule FT-R, Customer shall give Notice to Company of its request for such reduction specifying the particular Receipt Point, Schedule of Service and the Receipt Contract Demand available to any other Person who requires Service under Rate Schedule FT-R. Company shall not have any obligation to find any Person to assume the Receipt Contract Demand Customer

proposes to make available. If after Notice is given to Company a Person is found who agrees to assume the Receipt Contract Demand Customer proposes to make available, together with any applicable Surcharge, Company may reduce Customer's Receipt Contract Demand under such Schedule of Service, on terms and conditions satisfactory to Company, by an amount equal to the Receipt Contract Demand specified in a new Schedule of Service, executed by Company and such Person. Notwithstanding such reduction, Customer shall at Company's sole option either:

- (i) continue to pay any Surcharge until the Service Termination Date as described in the applicable Schedule of Service (unless any other Person acceptable to Company has agreed to pay such Surcharge); or
- (ii) in the event that Company retires any Facilities required to provide such Service, pay to Company within a time determined by Company, an amount equal to the net book value of such Facilities adjusted for all costs and expenses associated with such retirement.

## **7.0 RELIEF FOR MAINLINE RESTRICTIONS**

- 7.1** Company will grant relief to a Customer entitled to Service under Rate Schedule FT-R, in accordance with the Terms and Conditions Respecting Relief for Mainline Capacity Restrictions in Appendix "B" of the Tariff.

**8.0 TRANSFER OF SERVICE****8.1 Transfers Between Receipt Points Within the Same Project Area**

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point within the same Project Area, Customer shall give Notice to Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

**8.2** Company is under no obligation to permit the transfer requested in paragraph 8.1, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) the Price Point in effect for Service under the Schedule of Service, from which Customer wishes to transfer Service at the time of the transfer, applies to the new Schedule of Service for the Service that has been transferred;
- (v) the FT-R Demand Rate applicable to Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which the Service under the Schedule of Service has been transferred; and
- (vi) Customer executes a transfer of Service agreement.

**8.3** Transfers Between Receipt Points in Different Project Areas

If Customer desires to transfer all or any portion of Service under a Schedule of Service from a Receipt Point within a Project Area to a Receipt Point in a different Project Area, Customer shall give Notice to Company of Customer's request for such transfer specifying the Receipt Points, the Schedule of Service and the portion of the Receipt Contract Demand that Customer wishes to transfer.

**8.4** Company is under no obligation to permit the transfer requested in paragraph 8.3, but may permit such transfer provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the transfer;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the transfer is not required;
- (iii) the transfer does not occur during the Primary Term of the Schedule of Service;
- (iv) three (3) years are added to the balance of Customer's Secondary Term for the new Schedule of Service (the "New Term") for the Service that has been transferred;
- (v) the Price Point for Service under the new Schedule of Service for the Service that has been transferred shall be determined in the manner described in paragraph 3.2 using the New Term;
- (vi) the FT-R Demand Rate applicable to the Service under the Schedule of Service that has been transferred shall be the FT-R Demand Rate in effect at the Receipt Point to which Service under the Schedule of Service has been transferred; and

- (vii) Customer executes a transfer of Service agreement.

## **8.5 Transfers Between Receipt Points and Delivery Points**

A Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to transfer all or any portion of Service under Rate Schedule FT-R to a Delivery Point.

## **9.0 TERM SWAPS**

### **9.1 Term Swap Between Receipt Points Within the Same Project Area**

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are within the same Project Area, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

- 9.2** Company is under no obligation to permit the swap requested in paragraph 10.1, but may permit such swap provided that:

- (i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;
- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;

(iv) the Receipt Contract Demand and the FT-R Demand Rate;

(a) at each Receipt Point; and

(b) for each Service Termination Date

do not change as a result of the swap;

(v) the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped; and

(vi) Customer executes new Schedules of Service.

### **9.3 Term Swaps Between Receipt Points in Different Project Areas**

If Customer desires to swap the Service Termination Date of a Schedule of Service with the Service Termination Date of another Schedule of Service and the Receipt Points for the Schedules of Service are in different Project Areas, Customer shall give Notice to Company of Customer's request for such swap specifying the particular Receipt Points, the Service Termination Dates and the Schedules of Service, if necessary, that Customer wishes to swap.

**9.4** Company is under no obligation to permit the swap requested in paragraph 10.3, but may permit such swap provided that:

(i) Company determines that sufficient capacity exists in the Facilities to accommodate the swap;

- (ii) Company determines that the construction or installation of new Facilities that are directly attributable to the swap is not required;
- (iii) the swap does not occur during the Primary Term of the Schedule of Service;
- (iv) the Receipt Contract Demand and the FT-R Demand Rate:
  - (a) at each Receipt Point; and
  - (b) for each Service Termination Datedo not change as a result of the swap;
- (v) subject to subparagraph 9.4(vi), the Price Point in effect for each Schedule of Service after the swap shall be the Price Point in effect for the other Schedule of Service immediately prior to the time the Service Termination Dates were swapped;
- (vi) three (3) years are added to the balance of Customer's Secondary Term for each Schedule of Service (the "New Term") if the remaining term of either of the Schedules of Service is less than three (3) years and the Price Point that shall apply to each Schedule of Service shall be the Price Point determined in the manner described in paragraph 3.2 using the New Term for such Schedules of Service; and
- (vii) Customer executes new Schedules of Service.

**9.5 Term Swaps Between Schedules of Service Under Rate Schedule FT-R and other Schedules of Service**

Except as provided in article 9, a Customer entitled to receive Service under Rate Schedule FT-R shall not be entitled to swap the Service Termination Date of any Schedule of Service under Rate Schedule FT-R with the Service Termination Date under any Schedule of Service.

**10.0 TITLE TRANSFERS**

- 10.1** A Customer entitled to receive Service under Rate Schedule FT-R may transfer all or a portion of Customer's Inventory to another Customer or may accept a transfer of all or a portion of Customer's Inventory from another Customer provided such Customer is entitled to receive service under any Rate Schedule that permits title transfers and such title transfer is in accordance with the Terms and Conditions of Service Respecting Title Transfers in Appendix "C" of the Tariff.

**11.0 RENEWAL OF SERVICE****11.1 Renewal Notification**

Customer shall be entitled to renew all or any portion of Service under a Schedule of Service under Rate Schedule FT-R as Service under either Rate Schedule FT-R or Rate Schedule FT-P, if Customer gives Notice to Company of such renewal at least one (1) year prior to the Service Termination Date. If Customer does not specify which Rate Schedule the Service is to be renewed under, the Service shall be renewed under Rate Schedule FT-R. If Customer does not provide such Notice, the Service shall expire on the Service Termination Date.



**11.2 Irrevocable Notice**

Customer's Notice to renew pursuant to paragraph 11.1 shall be irrevocable one (1) year prior to the Service Termination Date.

Any renewal of Service is subject to the Financial Assurances provisions in Article 10 of the General Terms and Conditions.

**11.3 Renewal Term**

Customer's Notice shall specify a renewal term of not less than one (1) year consisting of increments of whole months. The Price Point for the renewal term shall be determined in the manner described in paragraph 3.2 based on the length of the renewal term requested by Customer.

**12.0 APPLICATION FOR SERVICE**

**12.1** Applications for Service under this Rate Schedule FT-R shall be in such form as Company may prescribe from time to time.

**13.0 GENERAL TERMS AND CONDITIONS**

**13.1** The General Terms and Conditions of the Tariff and the provisions of any Service Agreement for Service under Rate Schedule FT-R are applicable to Rate Schedule FT-R to the extent that such terms and conditions and provisions are not inconsistent with this Rate Schedule.

**SERVICE AGREEMENT**  
**RATE SCHEDULE FT-R**

BETWEEN:

NOVA Gas Transmission Ltd., a body corporate having an office in  
Calgary, Alberta ("Company")

- and -

•, a body corporate having an office in •, • ("Customer")

IN CONSIDERATION of the premises and the covenants and agreements in this Service Agreement, the parties covenant and agree as follows:

1. Customer acknowledges receipt of a current copy of the Tariff.
2. The capitalized terms used in this Service Agreement have the meanings attributed to them in the General Terms and Conditions of the Tariff, unless otherwise defined in this Service Agreement.
3. Customer requests and Company agrees to provide Service pursuant to Rate Schedule FT-R in accordance with the attached Schedules of Service. The Service will commence on the Billing Commencement Date and will terminate, subject to the provisions of this Service Agreement, on the Service Termination Date.
4. Customer agrees to pay to Company each Billing Month, for all Service rendered under this Service Agreement, an amount equal to the aggregate charges for Service described in Rate Schedule FT-R.

5. Customer shall:

- (a) provide such assurances and information as Company may reasonably require respecting any Service to be provided pursuant to this Rate Schedule FT-R including, without limiting the generality of the foregoing, an assurance that necessary arrangements have been made among Customer, producers of gas for Customer, purchasers of gas from Customer and any other Person relating to such Service, including all gas purchase, gas sale, operating, processing and common stream arrangements; and
- (b) at Company's request provide Company with an assurance that Customer has provided the Person operating facilities upstream of any Receipt Point in respect of which Customer has the right to receive service with all authorizations necessary to enable such Person to provide Company with all data and information reasonably requested by Company for the purpose of allocating volumes of gas received by Company among Company's Customers and to bind Customer in respect of all such data and information provided.

If Customer fails to provide such assurances and information forthwith following request by Company, from time to time, Company may at its option, to be exercised by Notice to Customer, suspend the Service to which such assurances and information relate until such time as Customer provides the assurances and information requested, provided however that any such suspension of Service shall not relieve Customer from any obligation to pay any rate, toll, charge or other amount payable to Company.

6. Customer acknowledges that the Facilities have been designed based on certain assumptions and forecasts described in Company's Annual Plan, and that interruption and curtailment of Service may occur if the aggregate gas volume actually received or the aggregate gas volume actually delivered at the Facilities is different than forecast.

7. Every notice, request, demand, statement, bid or bill provided for in Rate Schedule FT-R, this Service Agreement and the General Terms and Conditions, or any other notice which either Company or Customer may desire to give to the other (collectively referred to as "Notice") shall be in writing and each of them and every payment provided for shall be directed to the Person to whom given, made or delivered at such Person's address as follows:

Customer:

•

•

•

Attention: •

Fax: •

Company:

•

•

•

Attention: Customer Account Representative

Fax: •

Notice may be given by fax or other telecommunication and any such Notice shall be deemed to be given four (4) hours after transmission. Notice may also be given by personal delivery or by courier and any such Notice shall be deemed to be given at the time of delivery. Any Notice may also be given by prepaid mail and any such Notice shall be deemed to be given four (4) business days after mailing, Saturdays, Sundays and statutory holidays excepted. In the event of disruption of regular mail, every payment not made electronically shall be personally delivered, and any other Notice shall be given by one of the other stated means.

- (a) Notwithstanding the foregoing:
- (i) Company may give any Notice on the Website; and
  - (ii) Company and Customer shall give Notice for the matters listed in the Notice Schedule for Electronic Commerce in Appendix "F" of the Tariff via the Website unless the Website is inoperative, in which case Notice shall be given by any other alternative means set out herein.

Any Notice posted on the Website shall be deemed to be given one (1) hour after posting.

- (b) Notice may also be given by telephone followed immediately by fax, personal delivery, courier or prepaid mail, and in the case of Company, by posting on the Website, and any Notice so given shall be deemed to have been given as of the date and time of the telephone Notice.

8. The terms and conditions of Rate Schedule FT-R, the General Terms and Conditions and Schedule of Service under Rate Schedule FT-R are by this reference incorporated into and made a part of this Service Agreement.

IN WITNESS WHEREOF the parties have executed this Service Agreement by their proper signing officers duly authorized in that behalf all as of the • day of •, •.

•

NOVA Gas Transmission Ltd.

Per: \_\_\_\_\_

Per : \_\_\_\_\_

Per: \_\_\_\_\_

Per : \_\_\_\_\_



Westcoast Energy Inc.  
**TOLL SCHEDULES - SERVICE**

**TRANSPORTATION SERVICE - SOUTHERN**

**DEFINITIONS**

1. In this Toll Schedule, the following term shall have the following meaning:
  - (a) "Enhanced T-South Service" means Transportation Service – Southern provided pursuant to a Service Agreement under which gas is to be delivered to the Huntingdon Delivery Area and, subject to the fulfillment of the conditions specified in the Service Agreement, to the Kingsgate Export Point;
  - (b) "Kingsgate Export Point" means the point on the international boundary between Canada and the United States of America near Kingsgate, British Columbia, where the Foothills Pipe Lines (South BC) Ltd. pipeline facilities connect with the pipeline facilities of Gas Transmission Northwest Corporation; and
  - (c) "Service Term" means in respect of each Firm Transportation Service – Southern specified in a Firm Service Agreement, the term of each such Firm Transportation Service – Southern as determined in accordance with Section 3.

All other terms used in this Toll Schedule shall have the same meaning as set forth in the General Terms and Conditions.

**APPLICATION**

2. This Toll Schedule applies to all Firm Transportation Service - Southern, AOS and Interruptible Transportation Service - Southern, including Import Backhaul Service, provided by Westcoast on facilities in Zone 4 under the provisions of a Firm Service Agreement or an Interruptible Service Agreement into which the General Terms and Conditions and this Toll Schedule are incorporated by reference.
3. For all purposes of this Toll Schedule, the Demand Toll applicable to any Firm Transportation Service - Southern provided pursuant to a Firm Service Agreement shall be determined based upon the Service Term, and the Service Term for each such service shall be determined as follows:
  - (a) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast prior to November 1, 2005, the number of whole years remaining in the term of each such service as of November 1, 2005;
  - (b) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement entered into by a Shipper with Westcoast after November 1, 2005, the number of whole years in the term of each such service specified in the Firm Service Agreement;
  - (c) in the case of each such Firm Transportation Service – Southern which is renewed by a Shipper after November 1, 2005 in accordance with Section 2.06 of the General

Westcoast Energy Inc.  
**TOLL SCHEDULES - SERVICE**

Terms and Conditions, the number of whole years in the renewal term of each such service, with effect from the first day of the renewal term; and

- (d) in the case of each Firm Transportation Service – Southern provided for in a Firm Service Agreement which is extended by the Shipper and Westcoast after December 31, 2005, the number of whole years remaining in the term of each such service, including the period of the extension, with effect from the first day of the month immediately following the execution by the Shipper of an amendment to the Firm Service Agreement providing for such extension.

**MONTHLY BILL - FIRM TRANSPORTATION SERVICE - SOUTHERN**

4. The amount payable by a Shipper to Westcoast in respect of Firm Transportation Service - Southern provided in any month pursuant to a Firm Service Agreement shall be an amount equal to:
  - (a) the product obtained by multiplying the Contract Demand for Firm Transportation Service - Southern specified in the Firm Service Agreement by the applicable Demand Toll specified in Appendix A for Firm Transportation Service – Southern; and
  - (b) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for the month,

less the amount of any Contract Demand Credits to which the Shipper is entitled for the month pursuant to the General Terms and Conditions.

**MONTHLY BILL - AOS, INTERRUPTIBLE TRANSPORTATION SERVICE - SOUTHERN AND IMPORT BACKHAUL SERVICE**

5. If on any day Shipper has unutilized Firm Transportation Service - Southern at a Delivery Point in Zone 4 and would incur on such day tolls for AOS and Interruptible Transportation Service, other than Import Backhaul Service, at that Delivery Point or at any other Delivery Point in Zone 4, then, notwithstanding the provisions of the General Terms and Conditions and for the sole purpose of determining the amount of the Commodity Tolls payable by Shipper in accordance with this Toll Schedule for AOS and Interruptible Transportation Service - Southern, the following rules shall apply:
  - (a) firstly, in the case where Shipper would otherwise incur tolls on such day for AOS and Interruptible Transportation Service – Southern at a Delivery Point where Shipper has unutilized Firm Transportation Service – Southern, Shipper shall be deemed to have utilized Firm Transportation Service at such Delivery Point on such day in respect of a volume of gas not exceeding the volume of unutilized Firm Transportation Service at such Delivery Point;
  - (b) secondly, in the case where a Delivery Point at which Shipper has unutilized Firm Transportation Service – Southern is within the Huntingdon Delivery Area and Shipper has any remaining volume of unutilized Firm Transportation Service at such Delivery Point after applying the rule set out in paragraph (a) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(a) of the



Westcoast Energy Inc.  
**TOLL SCHEDULES - SERVICE**

General Terms and Conditions of a volume of gas not exceeding the amount of the remaining volume of unutilized Firm Transportation Service, from that Delivery Point to any other Delivery Point within the Huntingdon Delivery Area at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern;

- (c) thirdly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a) and (b) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(c) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service from such Delivery Point to the nearest Downstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service - Southern; and
  - (d) fourthly, if Shipper has any remaining volume of unutilized Firm Transportation Service – Southern at any Delivery Point after applying the rules set out in paragraphs (a), (b) and (c) above, then Shipper shall be deemed to have made a diversion on such day pursuant to Section 7.01(b) of the General Terms and Conditions of a volume of gas not exceeding the amount of such remaining volume of unutilized Firm Transportation Service, from such Delivery Point to the nearest Upstream Delivery Point at which Shipper would otherwise incur tolls for AOS and Interruptible Transportation Service – Southern.
6. The amount payable by a Shipper to Westcoast in respect of AOS, Interruptible Transportation Service - Southern, and Import Backhaul Service provided on each day in a month shall be an amount equal to the sum of:
- (a) the product obtained by multiplying the applicable Commodity Toll specified in Appendix A for AOS, Interruptible Transportation Service - Southern and Import Backhaul Service, respectively, by the Receipt Volume for such AOS or Interruptible Transportation Service - Southern (as determined after applying the rules set out in Section 5) or for such Import Backhaul Service, respectively, at the point from which the residue gas is sourced, which is thermally equivalent to the volume of residue gas (i) delivered to or for the account of Shipper at the Delivery Point, or (ii) transmitted through Zone 4 for the account of Shipper on each such day during the month;
  - (b) the product obtained by multiplying the difference between the Commodity Tolls specified in Section 7.03 of the General Terms and Conditions by the volume of gas deemed to be diverted to a Downstream Delivery Point in accordance with Section 4(c) on each such day during the month; and
  - (c) the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

Westcoast Energy Inc.  
TOLL SCHEDULES - SERVICE

APPENDIX A

DEMAND AND COMMODITY TOLLS  
TRANSPORTATION SERVICE - SOUTHERN

**Firm Transportation Service - Southern**

Service Term	Demand Tolls \$/10 <sup>3</sup> m <sup>3</sup> /mo.			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area*	FortisBC Kingsvale to Huntingdon**
1 year	102.95	268.02	454.41	186.38
2 years	99.95	260.22	441.17	180.96
3 years	96.95	252.41	427.94	175.53
4 years	95.95	249.81	423.53	173.72
5 years or more	94.95	247.21	419.11	171.91

\* To be increased to the percentage amount of the applicable toll specified in a Service Agreement for Enhanced T-South Service

\*\* For Firm Transportation Service - Southern provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

**Authorized Overrun Service**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	FortisBC Kingsvale to Huntingdon*
November to March	4.089	10.645	18.048	7.403
April to October	3.271	8.516	14.438	5.922

\* For AOS provided by Westcoast pursuant to a Firm Service Agreement dated April 15, 2002 between Westcoast and FortisBC Energy Inc.

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

Westcoast Energy Inc.  
**TOLL SCHEDULES - SERVICE**

**Interruptible Transportation Service - Southern**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>			
	PNG Delivery Point	Inland Delivery Area	Huntingdon Delivery Area	FortisBC Kingsvale to Huntingdon
November to March	4.885	12.719	21.564	8.845
April to October	3.706	9.649	16.359	6.710

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.

**Import Backhaul Service**

Months	Commodity Tolls \$/10 <sup>3</sup> m <sup>3</sup>		
	Inland Delivery Area	PNG Delivery Point	Compressor Station No. 2
November to March	8.845	16.679	21.564
April to October	6.710	12.653	16.359

Plus the amount of tax on fuel gas consumed in operations payable under the Motor Fuel Tax Act (British Columbia) and the Carbon Tax Act (British Columbia) which is allocated to Shipper by Westcoast for each day in the month.